



Ref: SML/CSD/2021/11-16

FORM-8

Date: 22.11.2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: Transmission of Half Yearly Report for the Period Ended June 30, 2020

Dear Sir,

We have to inform you that the Half Yearly Report of Summit Bank Limited for the six months' period ended June 30, 2020 have been transmitted through PUCARS and is also available on Banks' website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking You,

Very truly yours,

For and on behalf of
Summit Bank Limited



Syed Muhammad Talib Raza
Company Secretary

COMMITTED TO YOU

Summit Bank Limited
Company Secretary Division
Summit Tower | Head Office

Level -11, Plot No. G-2, Block - 2, Clifton, Karachi - Pakistan

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BUILDING TODAY SHAPING TOMORROW

HALF YEARLY REPORT JUNE 2020



Summit **S** *Bank*
Committed to you

CONTENTS

Corporate Information	02
Vision Statement	04
Mission Statement	05
Directors' Review	06
Unconsolidated Condensed Interim Financial Statements (Un-audited)	13
Independent Auditors' Review Report to the Members of Summit Bank Limited Unconsolidated Condensed Interim Financial Statements	14
Unconsolidated Condensed Interim Statement of Financial Position	16
Unconsolidated Condensed Interim Profit and Loss Account	17
Unconsolidated Condensed Interim Statement of Comprehensive Income	18
Unconsolidated Condensed Interim Statement of Changes in Equity	19
Unconsolidated Condensed Interim Cash Flow Statement	20
Notes to the Unconsolidated Condensed Interim Financial Statements	21
Consolidated Condensed Interim Financial Statements (Un-audited)	50
Consolidated Condensed Interim Statement of Financial Position	51
Consolidated Condensed Interim Profit and Loss Account	52
Consolidated Condensed Interim Statement of Comprehensive Income	53
Consolidated Condensed Interim Statement of Changes in Equity	54
Consolidated Condensed Interim Cash Flow Statement	55
Notes to the Consolidated Condensed Interim Financial Statements	56
Branch Network	87

CORPORATE INFORMATION

Board of Directors

Mr. Waseem Mehdi Syed
Chairman

Mr. Jawad Majid Khan
President & CEO

Mr. Wajahat Ahmed Baqai
Director

Mr. Zafar Iqbal Siddiqi
Director

Ms. Fauzia Hasnain
Director

Mr. Aziz Morris
Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Ms. Fauzia Hasnain
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Zafar Iqbal Siddiqi
Member

Mr. Wajahat Ahmed Baqai
Member

Mr. Jawad Majid Khan
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Aziz Morris
Member

Mr. Waseem Mehdi Syed
Member

Board Compliance Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Waseem Mehdi Syed
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Syed Muhammad Talib Raza

Auditors

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Legal Advisors

Hyat & Meerjees

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street-2,
D.H.A., Phase-VII, Karachi
Tel : 021-111-000-322
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Fax : 021-35310190
Email : secretariat@thk.com.pk
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Head Office

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Registered Office

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VISION

To be the preferred
provider of financial products
& services to the markets



MISSION

- To be a financial institution based on trust, integrity and good governance
- To deliver financial solutions to our customers
- To provide equal opportunities & professional working environment to our employees
- To provide fair returns to our shareholders on their investment
- To serve the community at large
- To discharge corporate social responsibility



DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of the Bank along with the un-audited condensed interim financial statements and Auditors' Review Report for the half year ended June 30, 2020.

THE BANK'S PERFORMANCE

The highlights of the financial results for the half year ended June 2020 are as follows:

	June 30, 2020 Rupees in Millions
Financial Position	
Shareholders' Equity	(8,459)
Deposits	99,280
Total Assets	114,473
Advances – net	37,111
Investments – net	33,800
Financial Performance	
Net Interest Income and Non Markup Income (Total Income)	(65)
Non Markup Expenses	2,516
Provisions and write offs (net)	2,031
Loss before tax	(4,612)
Loss after tax	(3,266)
Basic and diluted loss per share - Rupees	(1.24)

The financial results of H1'20 reflected an improvement over the corresponding period of 2019 and the Bank was able to reduce its loss before tax by Rs. 1.956 billion. This translated into a loss per share of Rs. 1.24 (June 2018: loss per share Rs. 1.66). The Q2 results of 2020 also improved and the loss before taxation was reported at Rs 1.616 billion as compared to the Q2 2019 of Rs 4.096 billion.

The P&L reflected an increase in the non mark-up income by Rs. 358 million which is 53% over the corresponding period of last year. This is mainly due to the gain on sale of securities recorded on account of sale of Federal Government securities.

The volumetric reduction of advances together with the substantial amount of non-performing loans held by the Bank resulted in the reduction of the Bank's interest income. Further, the Bank's interest expense registered an increase of Rs. 722.776 million mainly due volumetric growth in average deposits by Rs. 5.5 billion. As a result, the Bank incurred a net mark-up expense of Rs. 1.015 billion as against a net mark-up expense of Rs. 208.153 million during the same period last year.

Despite a higher average inflation, total non-mark up expenses reflected a decrease of Rs. 104 million as against the comparative period of 2019.

The Bank recorded total provisioning expense of Rs. 2.031 billion for the half year ended June 30, 2020, against a provision expense of Rs. 4.422 billion in the corresponding period last year. Provision against loans and advances was booked at Rs. 1.746 billion, a decrease of 54% from the same period last year.

The Bank's net advances portfolio shrank by 14% from December 2019 to Rs. 37.111 billion as at June 30, 2020. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of June 30, 2020 stood at 60.45% as against 56.58% on December 31, 2019, while the coverage ratio at June 2020 stands at 74.08% (December 2019: 70.77%).

Total Deposits grew by an impressive 12% and were reported at Rs. 99.280 billion as against Rs. 88.567 billion reported at December 2019. At the half year end, the Bank's gross advances to deposits ratio stands at 67.74% as compared to 81.50% as at December 31, 2019.

As at June 30, 2020, the Bank has deferred tax assets (net) of Rs. 12.813 billion, this has been recognized on the basis of the management's best estimate that these would be realized against the future taxable profits. Based on the updated tax positions, deferred tax income for the current period amounted to Rs. 1.394 billion as against an income of Rs. 2.237 billion during the same period last year.

As at June 30, 2020, the Bank's paid up capital (net of losses) stood at negative (-) Rs. 12.491 billion as against the statutory requirement of Rs. 10 billion prescribed by SBP while the Capital Adequacy Ratio of the Bank stood at negative (-) 33.62% as against the minimum requirement of 11.50%.

The management and the Board of Directors are hopeful that if the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve the projected improvement in business results and compliance with applicable regulatory requirements.

CREDIT RATING

In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB-' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). The TFC holders of the Bank in their meeting held on October 22, 2021, further approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts, with the revised maturity date set at October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules, regulations and requisite regulatory requirements in this regard.

ECONOMIC REVIEW

Pakistan's real GDP growth is estimated to have declined from 1.9 percent in FY19 to -1.5 percent in FY20. The first contraction in decades, this reflects the effects of COVID-19 containment measures that followed monetary and fiscal tightening prior to the outbreak. To curtail the spread of the pandemic, a partial lockdown – that included restrictions on air travel, inner-city public transport, religious/social gatherings and the closure of all schools and non-essential businesses – was imposed in March 2020, and gradually eased from May 2020 onwards. This disrupted domestic supply and demand, as businesses were unable to operate and consumers curbed expenditures, which specifically affected services and industries.

Pressure on the external account started building in March when the foreign exchange reserves of the country declined from approximately \$18 billion at the start of the year to \$16.7 billion mainly due to the external debt repayments. Moreover, foreign investors divested a major portion of their investments in government debt instruments under Special Convertible Rupee Account due to the uncertain economic conditions prevailing at the international and domestic front amid the Coronavirus pandemic. However, Pakistan was able to secure a loan worth \$1.4bn from IMF right in time under the IMF's Rapid Financing Instrument facility to support its reserves. Moreover, inflows received from multilateral sources during June 2020 also helped to reduce some of the pressure on the external account.

On the current account side, Pakistan's exports took a larger hit as compared to the imports and declined by 18.4% during Jan-Jun FY20 as compared to the same period last year. Imports, on the other hand, declined by 16.8% despite a significant drop in international oil prices. However, current account deficit still showed a contraction of 79% due to growth in remittances. The current account deficit is expected to widen to an average of 1.5 percent of GDP over FY21-22, with imports and exports gradually picking up as domestic demand and global conditions improve.

In spite of the dollar inflows received by the State Bank and the contracting current account deficit, the USDPKR parity remained largely volatile and the rupee depreciated 13.8 percent against the USD in FY20.

Despite weak economic activity, consumer price inflation rose from an average of 6.8 percent in FY19 to an average of 10.7 percent in FY20, due to surging food inflation, hikes in administered energy prices and a weaker rupee.

As regards to Pakistani stock markets, the KSE-100 after starting the year near 42,000, closed the half year at 34,422.

In FY20, the fiscal deficit narrowed to 8.1 percent of GDP from 9.0 percent in FY19. Total revenues rose to 15.3 percent of GDP due to higher non-tax revenue. Despite reforms, tax revenues slipped to 11.6 percent of GDP, with lower economic activity and larger tax expenditures. Expenditures rose mainly due to a fiscal stimulus package valued at around 2.9 percent of GDP, while the public debt, increased to 93.0 percent of GDP by end-FY20. The fiscal deficit is projected to narrow to 7.4 percent in FY22, with the resumption of fiscal consolidation and stronger revenues driven by recovering economic activity and structural reform dividends.

MODIFICATIONS IN THE AUDITORS' REVIEW REPORT

The Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at June 30, 2020. Further, the Bank's Liquidity Coverage is below the prescribed limits. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's plan to comply with applicable capital and liquidity requirements.

The Bank has recognized deferred tax asset of Rs. 12.813 billion which is considered realizable based on the financial projections of taxable profits in foreseeable future.

During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible. The Bank's management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

The Bank is currently partially non-compliant with the provisions of Banking Companies Ordinance, 1962 with respect to an investment in immovable property. The management has planned steps to achieve compliance with the same with selling off the part of the property that is in non-compliance with the applicable laws.

The review report is modified in respect of these matters but the opinion is not qualified.

EVENTS AFTER THE BALANCE SHEET DATE

The Bank had received a letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (The Investor) in which The Investor had communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank. In compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transactions, this was followed by a public announcement by The Investor of the intention to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor has now submitted his offer via a letter dated October 01, 2021 for proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the SSA which is duly approved by the Board of Directors. The Bank intends to issue a total of 5,976.096 million new ordinary shares.

ACKNOWLEDGEMENT

On behalf of the Board, we would once again like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Ministry of Finance and other regulatory authorities for their continuous guidance and support. At the same time, we would like to express our gratitude to our shareholders, our customers and the Bank's staff for their continued support.

Jawad Majid Khan
President and Chief Executive Officer

Fauzia Hasnain
Director

Summit Bank
November 19, 2021
Karachi

ٹیلیس شیٹ کی تاریخ کے بعد ہونے والے واقعات

20 مئی 2021ء¹ کو ایچ ای نھر عبداللہ حسین لوط (سرمایہ کار) کی جانب سے بینک کو ایک مراسلہ موصول ہوا جس میں سرمایہ کار نے بینک میں تازہ سیالیت سبسکرائب کر کے بینک کے کنٹرولنگ اقتدار حاصل کرنے کے ارادے کا اظہار کیا۔ سکیورٹیز ایکٹ 2015ء² اور انٹرنیٹ ٹریڈنگ (دوئلڈ شیئرز) اور ایک اور زکا کافی حصول (ریگولیشنز) 2017ء³ کے اس طرح کے لین دین کے لیے قابل اطلاق تقاضوں کی تعمیل کرتے ہوئے، سرمایہ کار کی جانب سے انتظامی کنٹرول کے ساتھ بینک کے کم از کم 51 فیصد جاری کردہ اور ادائیگ شدہ سرمائے کے بارے میں اعلان عام کیا گیا۔

سرمایہ کار نے اب یکم اکتوبر 2021ء⁴ کو ایک مراسلے کے ذریعے بینک میں رعایتی قیمت پر رائٹس آف فرم کے بغیر نئے ایکویٹی ادخال کے ذریعے 2.51 فی شیئر پر نئے عام حصص کی مجوزہ سبسکریپشن کے لیے اپنی پیش کش جمع کرائی ہے۔ سرمایہ کار نے یہ پیش کش ایس ایس اے کے طے کردہ ضابطے کے مطابق پیش کی جسے بورڈ آف ڈائریکٹرز نے باضابطہ طور پر منظور کیا ہے۔ بینک کا 5,976.096 ملین نئے عام حصص جاری کرنے کا ارادہ رکھتا ہے۔

تعاریف و توثیق

ہم، بورڈ کی جانب سے ایک بار پھر اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان، وزارت مالیات اور دیگر ضوابطی حکام کی مسلسل رہنمائی اور معاونت پر شکر گزار ہیں۔ نیز ہم مسلسل معاونت پر ہمارے شیئرز ہولڈرز، ہمارے صارفین اور بینک کے عملے کا شکریہ ادا کرنا چاہیں گے۔

فوزیہ حسین
ڈائریکٹر

جو امداد خان
صدر اور چیف ایگزیکٹو آفیسر

سمٹ بینک
19 نومبر 2021ء
کراچی

قرض کے آلات میں سے اپنی سرمایہ کاری کا بڑا حصہ نکال لیا۔ تاہم، پاکستان اپنے ذخائر کو سہارا دینے کے لیے آئی ایم ایف کی رہنمائی ٹرانسٹریکٹ بیلوٹ کے تحت بروقت آئی ایم ایف سے 1.4 ارب ڈالر کا قرض حاصل کرنے میں کامیاب رہا۔ مزید برآں، جون 2020ء کے دوران کثیر فریقی ذرائع سے موصول ہونے والی رقم نے بھی بیرونی کھاتے پر بڑا ڈکوپچھ کم کرنے میں مدد کی۔ جاری کھاتے کے ضمن میں، پاکستان کی درآمدات کے مقابلے میں برآمدات کو زیادہ دھچکا پہنچا اور جنوری تا جون مالی سال 20ء کے دوران گزشتہ برس کی اسی مدت کے مقابلے میں 18.4 فیصد کمی واقع ہوئی۔ دوسری جانب تیل کی بین الاقوامی قیمتوں میں نمایاں کمی کے باوجود درآمدات 16.8 فیصد کمی واقع ہوئی۔ تاہم، برسرِیات زریں اضافے کی وجہ سے جاری کھاتے کے خسارے میں اب بھی 79 فیصد کمی واقع ہوئی ہے۔ مالی سال 2021-22ء کے دوران جاری کھاتے کا خسارہ جی ڈی پی کے وسط 1.5 فیصد تک بڑھنے کی توقع ہے، بلکہ طلب اور عالمی حالات میں بہتری کے ساتھ درآمدات اور برآمدات بتدریج بڑھ رہی ہیں۔

اسٹیٹ بینک کی جانب سے موصول ہونے والی ڈالر کی رقم اور جاری کھاتے کے خسارے میں کمی کے باوجود، ڈالر اور روپے کا تناسب بڑی حد تک اتار چڑھاؤ کا شکار رہا اور مالی سال 20ء میں ڈالر کے مقابلے میں روپے کی قدر میں 13.8 فیصد تک کمی آئی۔

کمزور معاشی سرگرمی کے باوجود، اشیائے خورد و نوش کی بڑھتی ہوئی مہنگائی، توانائی کی قیمتوں میں اضافہ اور روپے کی قدر میں کمی وجہ سے صارفین کی قیمت مہنگائی مالی سال 19ء کے وسط 6.8 فیصد سے بڑھ کر مالی سال 20ء میں اوٹ 10.7 فیصد تک پہنچ گئی۔

پاکستانی اسٹاک مارکیٹوں کے حوالے سے، کے ایس ای 100 انڈیکس سال کے آغاز پر 42,000 سے شروع ہونے کے بعد، ششماہی میں 34,422 پر بند ہوا۔

مالی سال 20ء میں، مالیاتی خسارہ جی ڈی پی کے 8.1 فیصد پر آیا جبکہ مالی سال 19ء میں 9.0 فیصد سے کم ہو گیا۔ بلند ٹرانزیکشن حاصل کی وجہ سے مجموعی حاصل بڑھ کر جی ڈی پی کے 15.3 فیصد تک پہنچ گئے۔ اصلاحات کے باوجود، پست اقتصادی سرگرمی اور زائد ٹیکس اخراجات کے ساتھ، ٹیکس حاصل جی ڈی پی کے 11.6 فیصد کم ہو گئے۔ بنیادی طور پر مالیاتی عرصے کیلئے جس کی مالیت جی ڈی پی کی تقریباً 2.9 فیصد ہے، کی وجہ سے اخراجات میں اضافہ ہوا جبکہ مالی سال 20ء کے آخر تک سرکاری قرضہ بڑھ کر جی ڈی پی کے 93.0 فیصد تک پہنچ گیا۔ مالیاتی استحکام کے احیاء اور معاشی سرگرمیوں کی بحالی اور ساختی اصلاحات سے مضبوط حاصل کی بنا پر مالی سال 22ء میں مالیاتی خسارہ کم ہو کر 7.4 فیصد تک رہنے کا امکان ہے۔

آؤ بیرون کی جائزہ رپورٹ میں تبدیلیاں

30 جون 2020ء تک بینک ادا شدہ سرمایہ (خالص خسارے) بشرط کفایت سرمایہ اور لیوراج کی شرح (LR) اسٹیٹ بینک آف پاکستان (SBP) کے تقاضوں پر پورے نہیں اترتے۔ مزید یہ کہ بینک کی سیالیت کو رائج مقررہ حد سے کم ہے۔ یہ حالات مادی عدم یقینی کی موجودگی کی نشاندہی کرتے ہیں جو کہ بینک کے جاری کاروبار کے طور پر جاری رہنے کی صلاحیت کے بارے میں اہم شک پیدا کر سکتی ہے۔ تاہم، بینک سرمائے کے ضروری ادخال اور قابل اطلاق سرمائے اور سیالیت کے تقاضوں سے ہم آہنگ بینک کے منصوبے پر عمل درآمد کے لیے مسلسل کوششیں کر رہا ہے۔

بینک نے 12.81 ارب روپے کے مؤثر ٹیکس اٹائے کو تسلیم کیا ہے۔ جو مستقبل قریب میں قابل ٹیکس منافع کے مالی تخمینوں کی بنیاد پر قابل حصول سمجھا جاتا ہے۔

2018ء کے دوران، قانون نافذ کرنے والی ایجنسیوں (اہل ای ایز) نے سمٹ بینک لمیٹڈ سمیت بعض بینکوں میں مبنی لاڈرنگ کی سرگرمیوں کے لیے میڈیکل طور پر کچھ بینک اکاؤنٹس کی تحقیقات شروع کی۔ یہ معاملہ فی الحال بینک کے زیرِ تفتیش ہے اور بینک عدالتوں میں صرف جزوی ریفرنسز دائر کیے گئے ہیں۔ بینک قانون نافذ کرنے والی ایجنسیوں کو ان کی تحقیقات میں ہر ممکن حد تک مکمل تعاون فراہم کرنے کے لیے پرعزم ہے اور سہاگہ۔ بینک کی بین الاقوامی کا خیال ہے کہ اس طرح کی تحقیقات بینک کے جاری آپریشنز اور افعال کو متاثر نہیں کریں گی۔

بینک اس وقت غیر متعلقہ ناجیاد میں سرمایہ کاری کے حوالے سے بینکنگ کمپنیز آرڈیننس 1962ء کی ششوں سے جزوی طور پر ہم آہنگ نہیں ہے۔ انتظامیہ نے اس ضمن میں تھیل کے حصول کے لیے اس پر اپنی کا دھم پہنچنے کے لیے منصوبہ بندی کی ہے جو قابل اطلاق قوانین سے ہم آہنگ نہیں ہے۔

ان معاملات کے حوالے سے آؤٹ رپورٹ میں ترمیم کی گئی ہے، تاہم یہ رپورٹ معتبر ہے۔

بینک نے 30 جون 2020ء کو اختتام پذیر ہونے والی زیر جائزہ ششماہی کے دوران قرضوں کے 2.031 ارب روپے درج کیے جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 4.422 ارب روپے تھے۔ قرضوں اور ایڈوانسز پر بینک کی گئی قرضوں 1.746 ارب روپے تھی جو گزشتہ برس کے مقابلے میں 54 فیصد زائید تھی۔

30 جون 2020ء کو بینک کا خالص ایڈوانس 14 فیصد کی شرح سے 37.111 ارب روپے ہو گیا۔ 30 جون 2020ء تک بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) 60.45 فیصد رہا جو گزشتہ برس 56.58 فیصد تھا، جبکہ کوریج کا تناسب 2020ء میں 74.08 ہو گیا۔ (دسمبر 2019ء 70.77 فیصد)۔

مجموعی اثاثیں 12 فیصد نمو کے ساتھ 99.280 ارب روپے درج کی گئیں جبکہ دسمبر 2019ء پر 88.567 ارب روپے درج کیے گئے تھے۔ ششماہی کے اختتام پر، بینک کا مجموعی ایڈوانسز اور اثاثوں کا تناسب 67.74 فیصد ہے جو 31 دسمبر 2019ء کو 81.50 فیصد تھا۔

30 جون 2020ء تک، بینک نے 12.813 ارب روپے کے (خالص) مؤخر ٹیکس اثاثوں کو تسلیم کیا ہے جس سے آئندہ برسوں میں حاصل کیے جانے والے متوقع ٹیکس فوائد کے انتظامیہ کے بہترین تخمینے کا اظہار ہوتا ہے۔ ہمیں امید ہے بینک بڑے فوائد حاصل کر سکے گا۔ ٹیکس کی تازہ ترین صورت حال کی بنیاد پر، موجودہ سال کے لیے مؤخر ٹیکس آمدنی 1.394 ارب روپے ہے جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 2.237 ارب روپے تھی۔

روپے کی قانونی ضرورت کے مقابلے میں اسٹیٹ بینک کی جانب سے مقرر کیے گئے 110 ارب کے مقابلے میں 30 جون 2020ء تک، بینک کا ادائیگہ سرمایہ (خسارے کا خالص) منفی (-) 12.491 ارب روپے تھا، جبکہ بینک کی شرح کفایت سرمایہ کے کم از کم 11.90 فیصد کے تقاضے کے مقابلے میں منفی (-) 33.620 فیصد ہے۔

مینیجمنٹ اور بورڈ آف ڈائریکٹرز پر امید ہیں کہ اگر کاروباری منصوبے میں بیان کردہ نمو کے عوامل اور دیگر کلیدی مفروضے پورے ہوتے ہیں تو بینک کا روپے کی تازگی میں متوقع بہتری اور قابل اطلاق حوالوں پر مبنی قرضوں کی قبولیت میں کامیاب ہو جائے گا۔

کرڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کرڈٹ ریٹنگ ایجنسی نے بینک کی درجہ بندی کی تازگی کی۔ بینک کی درجہ بندی "بی بی" (ٹرپل بی پلس) اور قبل مدتی ریٹنگ "اے" (اے) (قرری) تازہ ترین معلومات کی عدم دستیابی کی وجہ سے معطل کر دی۔ وی آئی ایس کرڈٹ ریٹنگ ایجنسی نے بینک کی درجہ بندی تازہ ترین ضروری مالی معلومات کے دستیاب ہونے پر ایک بار پھر ریٹنگ کا دوبارہ جائزہ لے گی۔ مزید یہ کہ، بینک کی ایف سی ریٹنگ کوڈی (ڈیفائنٹ) تصویب کیا گیا تھا کیونکہ بینک نے اسٹیٹ بینک آف پاکستان (SBP) کے قابل اطلاق ضوابط کے تحت بینک کی لاک ان دفعہ کے حوالے سے اپنی تازہ ترین سودی ادائیگی نہیں کی تھی۔ بینک کے ایف سی ہولڈرز نے 22 اکتوبر 2021ء کو ہونے والی اپنی میٹنگ میں ایف سی ایلیٹ کی مدت میں ایک سال کی مزید توسیع کی منظوری دی اور ساتھ ہی تمام ایف سی کی قوم کی ادائیگیوں میں توسیع کے ساتھ عیسیت کی نظر ثانی شدہ تاریخ 27 اکتوبر 2022ء مقرر کی۔ بینک اس وقت تمام قابل اطلاق قوانین قواعد ضوابط اور اس سلسلے میں مطلوب ضوابط کی تعمیل کو یقینی بنانے کے لیے مصروف عمل ہے۔

اقتصادی جائزہ

پاکستان کی اقتصادی ترقی ڈی پی ٹی کی نمو کا تخمینہ مالی سال 19ء کے 1.9 فیصد سے کم ہو کر مالی سال 20ء میں منفی (-) 1.5 فیصد لگا دیا گیا ہے۔ دہائیوں میں یہ پہلا سکرآؤ کوڈ 19 قریباً پانچ ارب کے اقدامات کے اثرات کی عکاسی کرتا ہے جو دہائی مرض پھیلنے کی ترقی اور مالیاتی بحالی کے بعد کیے گئے تھے۔ دہائی مرض کے پھیلاؤ کو روکنے کے لیے، ایک جزوی لاک ڈاؤن - جس میں ہوائی سفر، اندرون شہر چیک اپ پوائنٹ، مذہبی/سماجی اجتماعات پر پابندیاں اور تمام اسکولوں اور غیر ضروری کاروباروں کی بندش شامل تھیں - مارچ 2020ء میں نافذ کیا گیا تھا، اور مئی 2020ء کے بعد سے اس میں بتدریج نرمی کی گئی تھی۔ اس نے گھریلو طلب اور رسید میں خلل ڈالا، کیونکہ کاروباری ادارے نہیں چلائے جا رہے تھے اور صارفین نے اخراجات میں کمی کی تھی، جس سے بالخصوص خدمات اور صنعتیں متاثر ہوئیں۔

بیرونی کھاتے پر دباؤ مارچ میں اس وقت بڑھنا شروع ہوا جب ملک کے زرمبادلہ کے ذخائر سال کے آغاز میں تقریباً 18 ارب ڈالر سے کم ہو کر 7.7 ارب ڈالر پر آ گئے جس کی بنیادی وجہ بیرونی قرضوں کی ادائیگی تھی۔ مزید یہ کہ، غیر ملکی سرمایہ کاروں نے کوویڈ-19 کی شرح کے دوران بین الاقوامی اور ملکی محاذ پر موجود غیر یقینی معاشی حالات کی وجہ سے خصوصی قابل تبدیل روپیہ اکاؤنٹ کے تحت سرکاری

ڈائریکٹر کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک کی 30 جون 2020 کو اختتام پذیر ہونے والی ششماہی کے لیے ڈائریکٹر کا جائزہ اور غیر آڈٹ شدہ جامع عبوری مالی گوشوارے اور آڈیٹرز کے جائزے کی رپورٹ پیش کرتے ہیں:

بینک کی کارکردگی

جون 2020 کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

30 جون 2020ء

روپے ملین میں

(8,459)

99,280

114,473

37,111

33,800

مالی صورتحال

شیئر ہولڈرز کی ایکویٹی

امانتیں

مجموعی اثاثے

ایڈوانس - خالص

سرمایہ کاریاں - خالص

مالی کارکردگی

خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)

(65)

2,516

2,031

(4,612)

(3,266)

(1.24)

غیر سودی اخراجات

پروویژنز اور رائنٹ آفس (نیٹ)

خسارہ قبل از ٹیکس

خسارہ بعد از ٹیکس

خسارہ فی شیئر بنیادی اور سیال (diluted) - روپے

30 جون 2020ء کی پہلی ششماہی نے 2019ء کی پہلی ششماہی کے مقابلے میں بہتر مالی نتائج کی عکاسی کی اور بینک نے اپنے قبل از ٹیکس خسارے میں 1.956 ارب روپے کی کمی درج کی۔ لہذا خسارہ فی شیئر 1.24 روپے فی شیئر رہا (جون 2019ء: خسارہ فی شیئر 1.66 روپے فی شیئر)۔ 2020ء کی دوسری سہ ماہی کے نتائج بھی بہتر رہے اور 1.616 ارب روپے کا خسارہ قبل از ٹیکس درج کیا گیا جبکہ 2019ء کی دوسری سہ ماہی کے دوران 4.096 ارب روپے کا خسارہ قبل از ٹیکس درج کیا گیا تھا۔

نفع و نقصان میں غیر سودی آمدنی میں 358 ملین روپے کا اضافہ ہوا جو گزشتہ برس کی اسی مدت کے مقابلے میں 53 فیصد زائد ہے۔ اس کی بنیادی وجہ وفاقی حکومت کے تسکات کی فروخت کے ضمن میں درج کردہ تسکات کی فروخت پر حاصل ہونے والا فائدہ ہے۔

بینک کے غیر فعال قرضوں کے نمایاں حجم کے ساتھ ایڈوانسز میں خاصی کمی کے نتیجے میں بینک کی سودی آمدنی کم ہو گئی۔ مزید برآں، بینک کے سودی اخراجات میں 722.776 ملین روپے کا اضافہ درج کیا گیا جس کی بنیادی وجہ اوسط ڈپازٹس میں 5.5 ارب روپے کی تخفیف نمونہ - نتیجتاً، بینک نے 1.015 ارب روپے کے خالص سودی اخراجات کیے جبکہ گزشتہ برس کی اسی مدت کے دوران 208.153 ملین روپے کے سودی اخراجات ہوئے۔

بلنداوسط مہنگائی کے باوجود، مجموعی غیر سودی اخراجات 2019ء کی اسی مدت کے مقابلے میں 104 ملین روپے کی کمی کی عکاسی کرتے ہیں۔

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE HALF YEAR ENDED
JUNE 30, 2020**

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SUMMIT BANK LIMITED REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Summit Bank Limited (the Bank) as at June 30, 2020 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-months' period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended June 30, 2020 and June 30, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended June 30, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements as of and for the half year ended June 30, 2020 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the following matters:

- note no. 1.3 to the unconsolidated condensed interim financial statements. As more fully described in that note, the Bank has incurred a net loss of Rs. 3,265.986 million (2019: Rs. 4,376.317 million) during the six months' period ended June 30, 2020, resulting in accumulated losses of Rs. 32,412.322 million (2019: Rs. 29,203.728 million) and negative equity of Rs. 8,459.362 million (2019: Rs. 5,598.223 million) as at June 30, 2020. Further, the Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at June 30, 2020. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's Plan to comply with applicable capital requirements.
- note no. 13.1 to the unconsolidated condensed interim financial statements, where management has disclosed that the Bank has recognized deferred tax asset of Rs. 12,813.270 (2019: Rs. 11,606.393 million) million which was considered realizable based on financial projections of taxable profits in foreseeable future.
- note no. 14.1 to the unconsolidated condensed interim financial statements, which states that, the Bank holds an immovable property which is partially in contravention with the provisions of Banking Companies Ordinance, 1962.

- note no. 22.4 to the unconsolidated condensed interim financial statements, which discloses that the National Accountability Bureau (NAB) is currently conducting an investigation against certain bank accounts alleged of involvement in illegal activities in various banks. The Bank management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

Our conclusion is not qualified in respect of the matters stated above.

The engagement partner on the audit resulting in this independent auditor's review report is **Mehmood A. Razzak**.

BAKER TILLY MEHMOOD IDREES QAMAR
CHARTERED ACCOUNTANTS

Karachi

Date: November 19, 2021

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	7,081,971	5,613,556
Balances with other banks	7	1,021,600	930,810
Lendings to financial institutions	8	1,950,000	991,272
Investments	9	33,799,521	21,959,499
Advances	10	37,110,654	43,242,325
Fixed assets	11	9,930,273	10,180,966
Intangible assets	12	118,262	148,557
Deferred tax assets	13	12,813,270	11,606,393
Other assets	14	10,647,098	11,202,160
		114,472,649	105,875,538
LIABILITIES			
Bills payable	16	2,447,312	1,815,836
Borrowings	17	14,189,378	13,504,780
Deposits and other accounts	18	99,279,532	88,567,490
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,520,274	6,090,140
		122,932,011	111,473,761
NET ASSETS		(8,459,362)	(5,598,223)
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus/ (deficit) on revaluation of assets	21	3,877,809	3,530,354
Accumulated losses		(32,412,322)	(29,203,728)
		(8,459,362)	(5,598,223)
CONTINGENCIES AND COMMITMENTS		22	

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2020

		Quarter Ended		Half Year Ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Note		(Rupees in '000)			
Mark-up / return / interest earned	23	1,309,797	1,385,276	2,786,468	2,960,919
Mark-up / return / interest expensed	24	1,723,063	1,657,916	3,891,848	3,169,072
Net Mark-up / interest expense		(413,266)	(272,640)	(1,105,380)	(208,153)
NON MARK-UP/INTEREST INCOME					
Fee and commission income	25	98,444	153,270	213,841	326,645
Dividend income		-	90	14,831	18,411
Foreign exchange income		71,065	142,281	167,288	257,469
Income / (loss) from derivatives		-	-	-	-
(Loss) / gain on securities	26	603,691	(1,093)	614,094	(2,648)
Other Income	27	11,316	46,133	30,425	82,211
Total non-markup / interest income		784,516	340,681	1,040,479	682,088
Total income		371,250	68,041	(64,901)	473,935
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	28	1,265,504	1,260,209	2,503,988	2,603,619
Workers' welfare fund		-	-	-	-
Other charges	29	5,488	12,326	12,003	16,777
Total non-markup / interest expenses		1,270,992	1,272,535	2,515,991	2,620,396
Loss before provisions		(899,742)	(1,204,494)	(2,580,892)	(2,146,461)
Provisions and write offs - net	30	716,908	2,892,135	2,031,249	4,422,150
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(1,616,650)	(4,096,629)	(4,612,141)	(6,568,611)
Taxation	31	(339,531)	(1,369,766)	(1,346,155)	(2,192,294)
LOSS AFTER TAXATION		(1,277,119)	(2,726,863)	(3,265,986)	(4,376,317)
(Rupees)					
Basic loss per share	32	(0.49)	(1.03)	(1.24)	(1.66)
Diluted loss per share	32	(0.49)	(1.03)	(1.24)	(1.66)

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2020

	Quarter Ended		Half Year Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Rupees in '000)			
Loss after taxation for the period	(1,277,119)	(2,726,863)	(3,265,986)	(4,376,317)
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	152,391	(83,475)	375,313	136,146
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain on defined benefit obligations	14,532	-	14,532	-
Movement in surplus on revaluation of operating fixed assets - net of tax	6,206	8,829	15,002	17,664
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	316
	20,738	8,829	29,534	17,980
Total comprehensive loss	(1,103,990)	(2,801,509)	(2,861,139)	(4,222,191)

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

FOR THE HALF YEAR ENDED JUNE 30, 2020

President / Chief Executive	Chief Financial Officer	Director	Director	Director
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The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2020

	June 30, 2020	June 30, 2019
Note	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(4,612,141)	(6,568,611)
Less: Dividend income	(14,831)	(18,411)
	(4,626,972)	(6,587,022)
Adjustments:		
Depreciation on operating fixed assets	259,598	275,038
Depreciation on right-of-use assets	273,119	257,828
Depreciation on non banking assets	21,874	21,874
Finance cost of lease liability	143,945	138,329
Amortization	30,991	31,006
Charge for defined benefit plan	22,726	28,153
Charge for employees compensated absences	9,206	6,999
Provision and write-offs excluding recoveries	2,031,851	4,422,150
Gain on sale of fixed assets	(1,578)	(30,901)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	212	388
	2,791,944	5,150,864
	(1,835,028)	(1,436,158)
(Increase) / decrease in operating assets		
Lendings to financial institutions	(958,728)	(1,983,560)
Held-for-trading securities	458	(6,098)
Advances	4,385,152	6,510,376
Others assets (excluding advance taxation)	547,087	101,411
	3,973,969	4,622,129
Increase / (decrease) in operating liabilities		
Bills Payable	631,476	(40,494)
Borrowings from financial institutions	833,238	(4,923,641)
Deposits	10,712,042	4,696,811
Other liabilities (excluding current taxation)	(491,345)	101,175
	11,685,411	(166,149)
Payments on account of staff retirement benefits	(139,773)	(11,372)
Income tax paid	(63,612)	(55,955)
Net cash generated from operating activities	13,620,967	2,952,495
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(11,546,715)	(729,843)
Dividends received	14,831	18,278
Investment in operating fixed assets	(38,094)	(80,503)
Investments in intangible assets	(696)	(7,712)
Proceeds from sale of fixed assets	1,731	140,370
Proceeds from sale of non-banking assets	-	10,000
Net cash used in investing activities	(11,568,943)	(649,410)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(344,179)	(491,338)
Net cash used in financing activities	(344,179)	(491,338)
Effect of exchange rate changes on cash and cash equivalent	116,667	228,432
Increase in cash and cash equivalents	1,824,512	2,040,179
Cash and cash equivalents at beginning of the period	6,256,644	5,805,289
Cash and cash equivalents at end of the period	8,081,156	7,845,468
33		

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

I. STATUS AND NATURE OF BUSINESS

- I.1** Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at June 30, 2020.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 179 Conventional Banking Branches and 14 Islamic Banking Branches (December 31, 2019: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

- I.2** In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). However, the TFC holders had approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2022, subject to applicable regulatory approvals and compliances.

- I.3** During the half year ended June 30, 2020, the Bank has incurred net loss of Rs. 3,265,986 million resulting in accumulated losses of Rs. 32,412,322 million and negative equity of Rs. 8,459,362 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of June 30, 2020. However, the paid up capital of the Bank (net of losses), CAR and LR are negative.

The Bank is making best efforts to comply with applicable capital requirements through increase in capital / capital injection at the earliest. For this, the management has prepared a business plan, which has been approved by the Board.

This plan aims to improve the Bank's capital base and risk absorption capacity and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital;
- Reaping benefits from the expected growth of Islamic finance in Pakistan since the Bank will speed-up the implementation process of its earlier decision of conversion to a full-fledged Islamic bank;
- Recoveries from non-performing advances through strenuous and focused recovery efforts;
- Reduction in overall level of non-earning assets held by the Bank;
- Identifying opportunities for rationalization of the cost structure;
- Improvement in the risk management and technological infrastructure of the Bank to support the business plan;
- Investments / exposures in safe avenues for achieving solid growth in the core business income; and
- Income generation through avenues for mark-up income and non-mark-up income

In this respect, the Bank had received a letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (The Investor) in which The Investor had communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank. In compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transactions, this was followed by a public announcement by The Investor of the intention to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor has now submitted his offer via a letter dated October 01, 2021, as per the Share Subscription Agreement (SSA) dated October 04, 2021 entered between the Bank and The Investor for the proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the Share Subscription Agreement which is duly approved by the Board of Directors. The Bank intends to issue total 5,976.096 million new ordinary shares.

The management and the Board of Directors are hopeful that with the capital injection along with the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve compliance with applicable regulatory requirements.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017;
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, the SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

These unconsolidated condensed interim financial statements represent separate financial statements of Summit Bank Limited in which investment in subsidiary are accounted for on the basis of direct equity interest rather than on the basis of reported results. Accordingly, the consolidated financial statements have been presented separately.

Key financial figures of the Islamic banking branches are disclosed in note 38 to these unconsolidated condensed interim financial statements.

- 2.2** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2019.

2.3 Standards, interpretations of and amendments to existing accounting standards that have become effective in the current period.

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank's accounting periods beginning on or after January 01, 2020. These are considered either not to be relevant or do not have any significant impact on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements.

2.4 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The SECP, through SRO229(I)/2019 dated February 14, 2019, has notified that IFRS 9, 'Financial Instruments', is applicable for accounting periods ending on or after June 30, 2019. However, as per the SBP's BPRD Circular No. 04 of 2019 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2021. The impact of the application of IFRS 9 on the Bank's unconsolidated condensed interim financial statements is being assessed.

2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2019.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets and non banking assets in satisfaction of claims are stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value and defined benefit obligations which are carried at present value.

3.2 Functional and Presentation Currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2019 except for the following additional considerations due to COVID-19:

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 625 basis points since beginning of the year to 7% in June 2020. Other regulatory measures to provide an impetus to economic activity include the following:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;
- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- Allowing banks to defer borrowers' principal loan payments by one year;
- Relaxing regulatory criteria for restructured / rescheduled loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up and
- Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

5.1 Credit Risk Management

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

5.2 Liquidity Risk Management

The Bank has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Bank as per its established policies. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position.

5.3 Equity Risk Management

The carrying value of the Bank's investment in listed equity securities classified as available-for-sale amounts to Rs. 1.554 billion as at June 30, 2020. During the half year the Pakistan Stock Exchange fell by 15.50%, triggering an impairment of Rs. 69.512 million. The Bank has recorded the full amount and has not availed the benefit as allowed by the SBP.

5.4 Operational Risk Management

The Bank is closely monitoring the situation and has invoked required actions to ensure the safety and security of the Bank's staff and uninterrupted service to customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Business Continuity Plans (BCP) for respective areas are in place. The Bank has significantly enhanced monitoring of cyber security risk during these times. The remote work capabilities were enabled for staff, where required, and related risk and control measures were assessed to ensure that the Bank's information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. The Bank is communicating with its customers on how they can connect with the Bank through its full suite of channels including digital and online channels. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turn around times are monitored and the Bank continues to meet the expectations of its employees and customers.

5.5 Capital Adequacy Ratio (CAR)

In order to encourage Bank to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----		
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	3,341,251	2,918,520
Foreign currency	521,352	375,536
	3,862,603	3,294,056
With State Bank of Pakistan in		
Local currency current account	1,582,911	961,761
Foreign currency current account	351,898	370,395
Foreign currency deposit account	211,929	146,827
	2,146,738	1,478,983
With National Bank of Pakistan in Local currency current account	1,070,868	789,312
Prize bonds	1,762	51,205
	7,081,971	5,613,556

7. BALANCES WITH OTHER BANKS

In Pakistan		
In current account	1,170	31,308
In deposit account	199,330	76,337
	200,500	107,645
Outside Pakistan		
In current account	445,706	247,906
In deposit account	375,394	575,259
	821,100	823,165
	1,021,600	930,810

(Un-audited) (Audited)
June 30, December 31,
2020 2019
----- (Rupees in '000) -----

8. LENDINGSTO FINANCIAL INSTITUTIONS

Call money lending	-	200,000
Repurchase agreement lendings (Reverse Repo)	1,950,000	791,272
	1,950,000	991,272
Less: Provision held against Lending to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	1,950,000	991,272

9. INVESTMENTS

9.1 Investments by type:

June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
(Rupees in '000)							
5,084	-	(212)	4,872	5,850	-	(308)	5,542
28,148,264	-	94,868	28,243,132	3,050,459	-	13,210	3,063,669
1,602,056	-	174,609	1,776,665	15,551,796	-	(563,399)	14,988,397
2,000,000	-	(56,350)	1,943,650	1,600,000	-	(16,000)	1,584,000
4,147,681	(2,871,477)	277,814	1,554,018	4,147,681	(2,801,965)	479,726	1,825,442
2,830	(1,000)	-	1,830	2,830	(1,000)	-	1,830
46,035	(46,035)	-	-	46,035	-	-	46,035
1,599,000	(1,555,397)	-	43,603	1,600,350	(1,437,765)	-	162,585
200,000	(200,000)	-	-	200,000	(200,000)	-	-
37,745,866	(4,673,909)	490,941	33,562,898	26,199,151	(4,440,730)	(86,463)	21,671,958
396,942	(165,191)	-	231,751	396,942	(114,943)	-	281,999
38,147,892	(4,839,100)	490,729	33,799,521	26,601,943	(4,555,673)	(86,771)	21,959,499

(Un-audited) (Audited)
June 30, December 31,
2020 2019
----- (Rupees in '000) -----

9.1.1 Investments given as collateral - Market Value

Pakistan Investment Bonds	305,994	5,443,670
Market Treasury Bills	6,859,333	-
	7,165,327	5,443,670

9.2 Provision for diminution in value of investments

Opening balance	4,555,673	3,271,639
Charge / reversals		
Charge for the period / year	284,777	1,287,284
Reversals for the period / year	(1,350)	(3,250)
	283,427	1,284,034
Closing balance	4,839,100	4,555,673

9.3 Particulars of provision against debt securities

Category of classification

Domestic

	June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	NPI	Provision	NPI	Provision
	(Rupees in '000)			
Doubtful	-	-	281,567	118,982
Loss	1,799,000	1,755,397	1,518,783	1,518,783
	1,799,000	1,755,397	1,800,350	1,637,765

- 9.4 Pursuant to the applicable Prudential Regulations, the Bank has availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this FSV benefit not been availed by the Bank, the specific provision against investments would have been higher by Rs. 43.603 million (December 31, 2019: Rs. 21.802 million). This has a net of tax positive impact of Rs. 28.342 million (December 31, 2019: Rs. 14.171 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	(Rupees in '000)					
Loans, cash credits, running finances, etc.	22,649,199	27,027,711	39,737,326	39,955,184	62,386,525	66,982,895
Islamic financing and related assets	3,713,563	3,767,335	838,547	809,541	4,552,110	4,576,876
Bills discounted and purchased	235,028	549,377	77,089	77,089	312,117	626,466
Advances - gross	26,597,790	31,344,423	40,652,962	40,841,814	67,250,752	72,186,237
Provision against advances						
- Specific	-	-	(30,113,806)	(28,903,404)	(30,113,806)	(28,903,404)
- General	(26,292)	(40,508)	-	-	(26,292)	(40,508)
	(26,292)	(40,508)	(30,113,806)	(28,903,404)	(30,140,098)	(28,943,912)
Advances - net of provision	26,571,498	31,303,915	10,539,156	11,938,410	37,110,654	43,242,325

10.1 Particulars of advances (Gross)

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
In local currency	67,002,006	71,880,922
In foreign currencies	248,746	305,315
	67,250,752	72,186,237

- 10.2 Advances include Rs. 40,652.962 million (December 31, 2019: Rs. 40,841.814 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	103,698	2,237	8,963	873
Substandard	352,426	17,578	2,057,443	339,271
Doubtful	1,577,822	452,819	1,668,552	109,872
Loss	38,619,016	29,641,172	37,106,856	28,453,388
	40,652,962	30,113,806	40,841,814	28,903,404

10.3 Particulars of provision against advances

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees in '000)						
Opening balance	28,903,404	40,508	28,943,912	21,502,664	46,988	21,549,652
Charge for the period / year	2,240,602	-	2,240,602	8,222,910	-	8,222,910
Reversals	(480,839)	(14,216)	(495,055)	(819,338)	(6,480)	(825,818)
	1,759,763	(14,216)	1,745,547	7,403,572	(6,480)	7,397,092
Amounts written off	(549,361)	-	(549,361)	(2,832)	-	(2,832)
Closing balance	30,113,806	26,292	30,140,098	28,903,404	40,508	28,943,912

10.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages range from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

The Bank has maintained general provision against housing finance portfolio at the rate of 1.5% and against unsecured SE portfolio at the rate of 1%.

10.3.2 The Bank has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 9,391.213 million (December 31, 2019: Rs. 9,347.484 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 6,104.289 million (December 31, 2019: Rs. 6,075.865 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP had granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. Nil (December 31, 2019: Rs. 205.502 million).

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
II. FIXED ASSETS			
Capital work-in-progress	11.1	6,075	70,864
Property and equipment		7,859,578	8,016,446
Right of use assets		2,064,620	2,093,656
		<u>9,930,273</u>	<u>10,180,966</u>
11.1 Capital work-in-progress			
Civil works and related payments / progress billings		1,449	66,238
Advances and other payments to suppliers and contractors		4,626	4,626
Advances and other payments against capital work in progress considered doubtful		1,158,340	1,158,340
Less: Provision there against		(1,158,340)	(1,158,340)
		<u>6,075</u>	<u>70,864</u>
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Property and equipment			
Building improvements		42,695	170,434
Furniture and fixture		679	63,053
Electrical, office and computer equipment		59,456	29,032
Vehicles		53	-
		<u>102,883</u>	<u>262,519</u>
Right of use asset		244,083	2,103,965
		<u>346,966</u>	<u>2,366,484</u>

11.3 Transfer / Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Capital work-in-progress	64,789	177,391
Property and equipment		
Leasehold land	-	104,010
Building improvements	21	143
Building on leasehold land	-	89
Furniture and fixture	132	18
Electrical, office and computer equipment	-	3,661
Vehicles	-	1,548
	153	109,469
Total	64,942	286,860

12. INTANGIBLE ASSETS

Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----	
Capital work-in-progress	12.1 45,098	47,187
Intangible assets in use	12.2 73,164	101,370
	118,262	148,557

12.1 Capital work-in-progress

Advances to suppliers and contractors	45,098	47,187
Advances against capital work in progress considered doubtful	141,224	141,224
Less: Provision held there against	(141,224)	(141,224)
	45,098	47,187

12.2 Intangible assets in use

Computer software	48,314	70,610
Core deposits	14,053	35,040
Brand name	10,797	25,181
	73,164	130,831

12.3 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Directly purchased	2,089	10,414
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12.4 There were no disposals in intangible assets during the current and prior period.

13. DEFERRED TAX ASSETS

Deductible Temporary Differences on

- Tax losses carried forward
- Provision against advances, off balance sheet etc.
- Provision for impairment loss - Investment
- Provision against Intangible Assets
- Staff Compensated absences
- Unrealised Loss on HFT Portfolio
- Provision against other assets

June 30, 2020 (Un-audited)			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2020
(Rupees in '000)			
5,889,304	960,416	-	6,849,720
5,826,396	327,609	-	6,154,005
1,594,486	99,199	-	1,693,685
43,107	-	-	43,107
38,358	1,437	-	39,795
108	(34)	-	74
149,656	-	-	149,656
13,541,415	1,388,627	-	14,930,042

Taxable Temporary Differences on

- Deficit / (surplus) on revaluation of investments
- Surplus on revaluation of fixed assets
- Surplus on revaluation of Property - Held for sale
- Surplus on revaluation of non-banking assets
- Accelerated tax depreciation
- Unrealized gain on forward exchange contracts

30,262	-	(202,091)	(171,829)
(1,026,325)	-	15,000	(1,011,325)
(406,274)	-	-	(406,274)
(156,349)	-	-	(156,349)
(380,630)	14,710	-	(365,920)
4,294	(9,369)	-	(5,075)
(1,935,022)	5,341	(187,091)	(2,116,772)
11,606,393	1,393,968	(187,091)	12,813,270

Deductible Temporary Differences on

- Tax losses carried forward
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.
- Provision for impairment loss - Investment
- Provision against intangible assets
- Staff Compensated absences
- Unrealised Loss on HFT Portfolio
- Unrealized (gain) / loss on forward exchange contracts
- Provision against other assets

December 31, 2019 (Audited)			
At January 01, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2019
(Rupees in '000)			
3,811,924	2,077,380	-	5,889,304
586,669	-	(556,407)	30,262
3,433,882	2,392,514	-	5,826,396
1,145,074	449,412	-	1,594,486
43,107	-	-	43,107
35,380	2,978	-	38,358
-	108	-	108
3,078	1,216	-	4,294
149,656	-	-	149,656
9,208,770	4,923,608	(556,407)	13,575,971

Taxable Temporary Differences on

- Surplus on revaluation of fixed assets
- Surplus on revaluation of Property - Held for sale
- Surplus on revaluation of non-banking assets
- Accelerated tax depreciation

(1,063,624)	-	37,299	(1,026,325)
(406,274)	-	-	(406,274)
(141,353)	-	(14,996)	(156,349)
(382,530)	1,900	-	(380,630)
(1,993,781)	1,900	22,303	(1,969,578)
7,214,989	4,925,508	(534,104)	11,606,393

- 13.1 The net deferred tax asset has been recognized in accordance with the Bank's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the recognized deferred tax asset could be realized. The projections include certain key assumptions underlying management's estimation of profits. Any significant change in such assumptions may have effect on the recoverability of deferred tax asset. The management believes that it is probable that the Bank would be able to achieve the profits and consequently, the recognized deferred tax asset will be fully realized in future.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees in '000) -----	
14. OTHER ASSETS		
Income / mark-up accrued in local currency	951,481	1,325,130
Income / mark-up accrued in foreign currency	2,487	1,768
Advances, deposits, advance rent and other prepayments	279,319	294,760
Advance taxation (payments less provisions)	613,928	598,129
Non-banking assets acquired in satisfaction of claims	2,727,953	2,749,827
Branch adjustment account	19	-
Receivable from other banks against clearing and settlement	485,618	218,053
Mark to market gain on forward foreign exchange contracts	14,500	6,079
Acceptances	203,454	453,864
Receivable from brokers	173	-
Stationery and stamps on hand	7,807	9,093
Commission receivable on home remittance	30,636	162,594
Property - held for sale	3,838,719	3,838,719
Others	472,523	523,758
	9,628,617	10,181,774
Less: Provision held against other assets	14.2 (589,015)	(587,110)
Other assets (net of provision)	9,039,602	9,594,664
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	446,712	446,712
Surplus on revaluation of property - held for sale	1,160,784	1,160,784
Other assets - total	10,647,098	11,202,160
14.1	This represents a portion of the Bank's self constructed property which has been earmarked for selling in the near future. This property is carried at lower of market value / fair value less cost to sell and carrying amount.	
	(Un-audited) June 30, 2020	(Audited) December 31, 2019
14.2 Provision held against other assets	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	79,664	79,664
Non banking assets acquired in satisfaction of claims	290,547	290,547
Commission receivable on guarantee	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account Receivable - Sundry Claims	137,953	136,048
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	9,452	9,452
	589,015	587,110
14.2.1 Movement in provision held against other assets		
Opening balance	587,110	584,840
Charge for the period / year	1,905	2,317
Amount written off	-	(47)
Closing balance	589,015	587,110

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

6. BILLS PAYABLE

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----	
In Pakistan	2,447,312	1,815,836
Outside Pakistan	-	-
	<u>2,447,312</u>	<u>1,815,836</u>

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme	6,289,040	6,780,140
- Under Islamic Export Refinance Scheme (IERF)	250,000	250,000
- Under long-term financing facility	783,313	857,219
- Refinance facility for modernization of SMEs	4,762	5,650
- Repurchase agreement borrowings	6,839,848	5,440,716
Total secured	14,166,963	13,333,725

Unsecured

Overdrawn nostro accounts	22,415	171,055
	<u>14,189,378</u>	<u>13,504,780</u>

17.1 Particulars of borrowings with respect to currencies

In local currency	14,166,963	13,333,725
In foreign currencies	22,415	171,055
	<u>14,189,378</u>	<u>13,504,780</u>

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	30,348,094	1,294,108	31,642,202	25,059,806	1,390,243	26,450,049
Savings deposits	42,340,551	3,517,055	45,857,606	41,131,498	1,290,353	42,421,851
Term deposits	12,738,703	2,946,388	15,685,091	11,202,150	3,032,909	14,235,059
Others	2,982,348	26,428	3,008,776	3,323,784	24,352	3,348,136
	<u>88,409,696</u>	<u>7,783,979</u>	<u>96,193,675</u>	<u>80,717,238</u>	<u>5,737,857</u>	<u>86,455,095</u>
Financial institutions						
Current deposits	684,309	91,607	775,916	673,169	286,055	959,224
Savings deposits	1,902,810	5	1,902,815	741,040	5	741,045
Term deposits	407,126	-	407,126	412,126	-	412,126
Others	-	-	-	-	-	-
	<u>2,994,245</u>	<u>91,612</u>	<u>3,085,857</u>	<u>1,826,335</u>	<u>286,060</u>	<u>2,112,395</u>
	<u>91,403,941</u>	<u>7,875,591</u>	<u>99,279,532</u>	<u>82,543,573</u>	<u>6,023,917</u>	<u>88,567,490</u>

18.1 Deposits include Eligible Deposits of Rs. 65,387.115 million (December 31, 2019: Rs. 55,745.364 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

18.2 Deposits include USD 13.180 million held by H.E. Nasser Abdulla Hussain Lootah (The Investor) in FCY deposit account.

19. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2021 (December 31, 2019: October 27, 2020)

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts were extended thrice by the Bank to October 27, 2019, October 27, 2020 and October 27, 2021 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019 and October 22, 2020. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020 and July 09, 2021. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020 and October 22, 2021.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 26, 2021 have approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts (principal and the related mark-up) with the revised maturity date of October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules and requisite regulatory requirements for seeking final approval from the State Bank of Pakistan.

Rating	'D' (Default).
Security	Unsecured.
Redemption / profit payment frequency	The redemption / profit payment details are mentioned in the above maturity date clause.
Mark up	Base rate (6 months KIBOR - ask side) plus 325 bps.
Call option	The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.
Lock-in-clause	Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Bank's Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.

20. OTHER LIABILITIES

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees in '000) -----	
Mark-up/ Return/ Interest payable in local currency	1,166,941	1,229,525
Mark-up/ Return/ Interest payable in foreign currency	198	459
Unearned income	8,024	8,986
Accrued expenses	95,326	77,216
Advance against sale of property	484,344	476,544
Acceptances	203,454	453,864
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	-	18,348
Payable to defined benefit plan	8,194	134,673
Charity fund balance	-	504
Branch adjustment account	-	80
Security deposits against lease	568,939	639,574
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	185,100	199,376
Provision for compensated absences	113,698	109,592
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	28,690	29,374
Workers' Welfare Fund	13,360	13,360
Withholding taxes and government levies payable	21,375	26,010
Federal excise duty and sales tax payable	4,447	10,135
Commission payable on home remittances	19,767	137,909
Lease Liability against right of use assets	2,163,534	2,119,682
Others	354,825	324,871
	<u>5,520,274</u>	<u>6,090,140</u>

21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of:

- Available for sale securities	9.1	490,941	(86,463)
- Fixed Assets		3,525,147	3,568,007
- Non-banking assets acquired in satisfaction of claims	14	446,712	446,712
- Property - Held for sale	14	1,160,784	1,160,784
		<u>5,623,584</u>	<u>5,089,040</u>

Deferred tax on surplus / (deficit) on revaluation of:

- Available for sale securities		(171,829)	30,262
- Fixed Assets		(1,011,323)	(1,026,325)
- Non-banking assets acquired in satisfaction of claims		(156,349)	(156,349)
- Property - Held for sale		(406,274)	(406,274)
		<u>(1,745,775)</u>	<u>(1,558,686)</u>
		<u>3,877,809</u>	<u>3,530,354</u>

22. CONTINGENCIES AND COMMITMENTS

-Guarantees	22.1	14,163,436	19,912,355
-Commitments	22.2	20,037,315	24,718,660
-Other contingent liabilities	22.3	16,598,867	11,632,928
		<u>50,799,618</u>	<u>56,263,943</u>

22.1 Guarantees:

Financial guarantees	23,677	23,677
Performance guarantees	12,358,823	16,025,962
Other guarantees	1,780,936	3,862,716
	<u>14,163,436</u>	<u>19,912,355</u>

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	-----
22.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,693,425	6,953,447
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	5,878,338	5,507,866
- forward lending	22.2.2	5,500,420	6,598,509
- operating leases	22.2.3	11,928	46,310
Commitments for capital expenditure			
- operating fixed assets		5,965	75,637
- intangible assets		107,391	96,175
Other commitments	22.2.4	6,839,848	5,440,716
		<u>20,037,315</u>	<u>24,718,660</u>
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,878,338	4,815,225
Sale		-	692,641
		<u>5,878,338</u>	<u>5,507,866</u>
22.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,322,447	4,465,388
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	1,177,973	2,133,121
		<u>5,500,420</u>	<u>6,598,509</u>
22.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.			
		(Un-audited) June 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	-----
22.2.3 Commitments in respect of operating leases			
Not later than one year		11,928	46,310
Later than one year and not later than five years		-	-
Later than five years		-	-
		<u>11,928</u>	<u>46,310</u>
22.2.4 Other commitments			
Purchase (Repo)		6,839,848	5,440,716
		<u>6,839,848</u>	<u>5,440,716</u>
22.3 Other contingent liabilities - claims against the Bank not acknowledged as debts		<u>16,598,867</u>	<u>11,632,928</u>
22.4 During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.			
22.5 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 31.2.			

		(Un-audited) Half year ended	
		June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
23.	MARK-UP / RETURN / INTEREST EARNED	Note	
	On:		
	Loans and advances	1,609,913	2,335,434
	Investments	1,141,510	589,188
	Lendings to financial institutions	27,700	25,847
	Balances with banks	7,345	10,450
		<u>2,786,468</u>	<u>2,960,919</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	2,911,418	2,142,310
	Borrowings	499,677	577,214
	Subordinated debt	108,671	99,617
	Cost of foreign currency swaps against foreign currency deposits / borrowings	228,137	211,602
	Finance cost of lease liability	143,945	138,329
		<u>3,891,848</u>	<u>3,169,072</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	13,228	2,774
	Consumer finance related fees	3,956	1,614
	Card related fees (debit cards)	35,647	42,790
	Credit related fees	2,783	5,693
	Investment banking fees	9,666	1,716
	Commission on trade	77,991	113,059
	Commission on guarantees	56,145	77,294
	Commission on cash management	560	1,982
	Commission on remittances including home remittances	7,922	29,481
	Commission on bancassurance	785	1,633
	Commission on Benazir Income Support Programme	-	38,409
	Alternate Delivery Channels	5,150	10,030
	Others	8	170
		<u>213,841</u>	<u>326,645</u>
26.	GAIN / (LOSS) ON SECURITIES		
	Realised	26.1 614,306	(2,260)
	Unrealised - held for trading	(212)	(388)
		<u>614,094</u>	<u>(2,648)</u>
26.1	Realised gain / (loss) on:		
	Federal Government Securities	613,138	(2,583)
	Shares	1,168	323
		<u>614,306</u>	<u>(2,260)</u>

27. OTHER INCOME

Rent on property / locker	15,249	7,173
Gain on sale of fixed assets - net	1,578	30,901
Gain on sale of ijarah assets	3,899	1,797
Account maintenance and other relevant charges	4,703	34,291
Recovery of expenses from customers	4,996	7,749
Others	-	300

Note	(Un-audited) Half year ended	
	June 30, 2020	June 30, 2019
	(Rupees in '000) -----	
	15,249	7,173
	1,578	30,901
	3,899	1,797
	4,703	34,291
	4,996	7,749
	-	300
	30,425	82,211

28. OPERATING EXPENSES

Total compensation expense

28.1 846,880 826,962

Property expense

Rent and taxes	82,697	81,768
Insurance - property	2,012	2,525
Insurance - non banking assets	197	80
Utilities cost	92,862	111,045
Security (including guards)	98,011	81,444
Repair and maintenance (including janitorial charges)	62,807	50,775
Depreciation on owned fixed assets	136,624	145,462
Depreciation on right-of-use assets	273,119	257,828
Depreciation on non banking assets	21,874	21,874

770,203 752,801

Information technology expenses

Software maintenance	49,087	25,696
Hardware maintenance	48,494	30,695
Depreciation on computer equipments	49,133	55,630
Amortisation of computer softwares	13,305	13,320
Network charges	42,274	43,622
Insurance	1,123	96

203,416 169,059

Other operating expenses

Directors' fees and allowances	800	550
Fees and allowances to Shariah Board	2,645	2,400
Legal and professional charges	80,316	163,025
Outsourced services costs	72,857	64,151
Travelling and conveyance	69,360	75,003
NIFT clearing charges	11,190	14,226
Depreciation	73,841	73,946
Amortisation of core deposits and brand name	17,686	17,686
Training and development	1,667	2,819
Postage and courier charges	18,983	23,273
Communication	25,340	22,140
Stationery and printing	45,284	52,793
Marketing, advertisement and publicity	11,981	12,773
Brokerage and commission	669	1,877
Fee and subscription	39,722	60,222
Cash transportation and sorting charges	34,499	48,416
Entertainment	13,352	15,793
Insurance	115,448	119,382
Repair and maintenance	37,934	36,544
Auditors' Remuneration	4,539	8,455
Others	5,376	39,323

683,489 854,797

2,503,988 2,603,619

		(Un-audited) Half year ended	
		June 30, 2020	June 30, 2019
		(Rupees in '000)	
28.1	Total compensation expense	Note	
	Fees and allowances etc.	14,543	15,675
	Managerial remuneration		
	i) Fixed	526,143	507,034
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	2,333	3,334
	b) Incentives and commission	472	988
	Charge for defined benefit plan	22,726	28,153
	Contribution to defined contribution Plan	32,072	26,483
	Charge for employees compensated absences	9,206	6,999
	Rent and house maintenance	165,395	163,798
	Utilities	36,802	36,397
	Medical	37,188	38,101
	Total	846,880	826,962
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	275	8,378
	Bank charges	11,728	8,399
		12,003	16,777
30.	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	283,427	608,476
	Provisions against loans and advances	1,745,547	3,810,518
	Provision against other assets	1,905	3,067
	Bad debts written off directly	972	89
	Recoveries against written off / charged off bad debts	(602)	-
		2,031,249	4,422,150
31.	TAXATION		
	Current	31.1 & 32.2 47,813	44,857
	Prior years	-	-
	Deferred	(1,393,968)	(2,237,151)
		(1,346,155)	(2,192,294)
31.1	This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.		
31.2	The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2018 i.e. tax year 2019.		
	In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2013, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand (net of rectification) of Rs.230.52 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of ex-My Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2011, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of ex-Atlas Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2010, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.89.74 million through amended assessment orders and the same have been paid/adjusted against available refunds.		

Such issues mainly include disallowances of mark up payable, taxation of mutual fund distribution at corporate tax rate, disallowance of provision against non-performing loans, disallowance of reversal of provisions, allocation of expenses against dividend income and capital gain, disallowances against non-banking assets etc. The Bank has filed appeals before the various appellate forums against these amended assessment orders which are either pending for hearing or order.

The management of the Bank is confident about the favourable outcome of the appeals hence, no provision / adjustment with respect to the above matters has been made in these financial statements.

		(Un-audited) Half year ended	
		June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
32. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(3,265,986)</u>	<u>(4,376,317)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Basic loss per share		<u>(1.24)</u>	<u>(1.66)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	32.1	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Diluted loss per share		<u>(1.24)</u>	<u>(1.66)</u>

32.1 There are no potential ordinary shares outstanding as of June 30, 2020.

		(Un-audited) Half year ended	
		June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
33. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		7,081,971	7,217,431
Balances with other banks		1,021,600	909,283
Overdrawn nostro accounts		(22,415)	(281,246)
		<u>8,081,156</u>	<u>7,845,468</u>

33.4. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investment in subsidiary, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

34.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

June 30, 2020 (Un-audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	31,963,447	-	31,963,447
Shares - Listed	1,558,890	-	-	1,558,890
Financial assets - disclosed but not measured at fair value				
Investments				
Shares - Unlisted	-	-	2,349	2,349
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,281,521	7,281,521
Non banking assets acquired in satisfaction of claims	-	-	2,884,118	2,884,118
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,892,837	-	5,892,837
Forward sale of foreign exchange	-	-	-	-

December 31, 2019 (Audited)				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	19,636,066	-	19,636,066
Shares - Listed	1,830,984	-	-	1,830,984
Financial assets - disclosed but not measured at fair value				
Investments				
Shares - Unlisted	-	-	2,349	2,349
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,375,471	7,375,471
Non banking assets acquired in satisfaction of claims	-	-	2,905,992	2,905,992
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	4,800,861	-	4,800,861
Forward sale of foreign exchange	-	690,545	-	690,545

Valuation techniques used in determination of fair value

Item	Valuation approach and input used
Federal Government Securities	The fair values of Federal Government securities are determined using the PKRV rates. The fair values of GoP Ijarah Sukuk are determined using the PKISRV rates.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Forward foreign exchange contracts	The valuation has been incorporated by interpolating the foreign exchange revaluation rates announced by the SBP.
Operating fixed assets (land and building) and non-banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

35. SEGMENT INFORMATION

35.1 Segment Details with respect to business activities

	For the half year ended June 30, 2020 (Un-audited)					
	Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
	(Rupees in '000)					
Profit and loss						
Net mark-up / return / profit	(295)	466,320	(1,305,059)	(266,346)	-	(1,105,380)
Inter segment revenue - net	-	(808,142)	-	808,142	-	-
Non mark-up / return / interest income	9,750	840,127	209,315	(18,713)	-	1,040,479
Total Income	9,455	498,305	(1,095,744)	523,083	-	(64,901)
Segment direct expenses	1,016	127,721	2,226,632	138,748	21,874	2,515,991
Inter segment expense allocation	-	-	(223,981)	223,981	-	-
Total expenses	1,016	127,721	2,002,651	362,729	21,874	2,515,991
Provisions / (reversals)	-	233,179	1,758,014	(10,192)	50,248	2,031,249
Profit / (loss) before tax	8,439	137,405	(4,856,409)	170,546	(72,122)	(4,612,141)

As at June 30, 2020 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total	
(Rupees in '000)						
Balance Sheet						
Cash and bank balances	-	1,782,344	5,025,744	1,295,483	-	8,103,571
Investments	-	31,580,516	43,604	1,943,650	231,751	33,799,521
Net inter segment lending	-	350,000	-	13,843,293	-	14,193,293
Lendings to financial institutions	-	1,950,000	-	-	-	1,950,000
Advances - performing	-	-	22,865,172	3,706,326	-	26,571,498
Advances - non-performing	-	-	10,428,851	110,305	-	10,539,156
Others	39,796	3,829,999	17,202,582	677,068	11,759,458	33,508,903
Total assets	39,796	39,492,859	55,565,953	21,576,125	11,991,209	128,665,942
Borrowings	61	6,846,449	7,092,868	250,000	-	14,189,378
Subordinated debt	4,063	440,405	1,051,047	-	-	1,495,515
Deposits and other accounts	-	6	82,043,409	17,236,117	-	99,279,532
Net inter segment borrowing	-	13,843,293	-	350,000	-	14,193,293
Others	3,397	376,605	5,085,702	2,063,338	438,544	7,967,586
Total liabilities	7,521	21,506,758	95,273,026	19,899,455	438,544	137,125,304
Equity	32,275	17,986,101	(39,707,073)	1,676,670	11,552,665	(8,459,362)
Total equity and liabilities	39,796	39,492,859	55,565,953	21,576,125	11,991,209	128,665,942
Contingencies and commitments	-	12,212,926	17,932,605	3,941,864	16,712,223	50,799,618

For the half year ended June 30, 2019 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total	
(Rupees in '000)						
Profit and loss						
Net mark-up / return / profit	(196)	(118,746)	(114,847)	25,636	-	(208,153)
Inter segment revenue - net	-	(542,237)	-	542,237	-	-
Non mark-up / return / interest income	7,157	368,045	412,425	(105,539)	-	682,088
Total Income	6,961	(292,938)	297,578	462,334	-	473,935
Segment direct expenses	1,150	167,448	2,279,874	149,969	21,955	2,620,396
Inter segment expense allocation	-	-	(189,404)	189,404	-	-
Total expenses	1,150	167,448	2,090,470	339,373	21,955	2,620,396
Provisions	-	608,477	3,527,249	286,424	-	4,422,150
Profit / (loss) before tax	5,811	(1,068,863)	(5,320,141)	(163,463)	(21,955)	(6,568,611)

As at December 31, 2019 (Audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total	
(Rupees in '000)						
Balance Sheet						
Cash and bank balances	-	1,870,617	4,211,474	462,275	-	6,544,366
Investments	-	20,120,181	1,557,319	-	281,999	21,959,499
Net inter segment lending	-	-	-	14,001,113	-	14,001,113
Lendings to financial institutions	-	791,272	-	200,000	-	991,272
Advances - performing	-	-	27,548,061	3,755,854	-	31,303,915
Advances - non-performing	-	-	11,863,059	75,351	-	11,938,410
Others	36,596	4,068,744	16,416,347	735,424	11,880,965	33,138,076
Total assets	36,596	26,850,814	61,596,260	19,230,017	12,162,964	119,876,651
Borrowings						
Subordinated debt	465	5,491,088	7,763,227	250,000	-	13,504,780
Deposits & other accounts	4,063	440,405	1,051,047	-	-	1,495,515
Net inter segment borrowing	-	-	73,119,266	15,448,224	-	88,567,490
Others	-	14,001,113	-	-	-	14,001,113
Total liabilities	2,651	319,515	5,156,226	1,989,042	438,542	7,905,976
Equity	7,179	20,252,121	87,089,766	17,687,266	438,542	125,474,874
Total equity and liabilities	29,417	6,598,693	(25,493,506)	1,542,751	11,724,422	(5,598,223)
Total equity and liabilities	36,596	26,850,814	61,596,260	19,230,017	12,162,964	119,876,651
Contingencies and commitments						
	-	10,736,460	28,582,452	5,140,291	11,804,740	56,263,943

35.1.1 The Bank does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, employee benefit plans and its directors and Key Management Personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
	(Rupees in '000)							
Investments								
Opening balance	-	-	396,942	1,692,490	-	-	396,942	1,713,990
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	(21,500)
Closing balance	-	-	396,942	1,692,490	-	-	396,942	1,692,490
Provision for diminution in value of investments	-	-	165,191	1,613,242	-	-	114,943	1,613,242
Advances								
Opening balance	-	265,793	-	660,792	-	-	259,303	932,302
Addition during the period / year	-	16,215	25,540	-	-	-	36,601	2,139,568
Repaid during the period / year	-	(29,438)	(25,540)	(15,797)	-	-	(18,393)	(2,214,009)
Transfer in / (out) - net	-	52,282	-	1,312	-	-	(11,718)	(197,069)
Closing balance	-	304,852	-	646,307	-	-	265,793	660,792
Provision held against advances	-	-	-	-	-	-	-	-

	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
					</			

	For the half year ended June 30, 2020 (Un-audited)				For the half year ended June 30, 2019 (Un-audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
	(Rupees in '000)									
Income										
Mark-up / return / interest earned	-	-	6,396	49	42,915	-	-	4,780	-	40,513
Fee and commission income	-	-	-	98	-	-	-	-	95	-
Other income	-	-	11	1,674	-	-	-	8	1,522	-
Expense										
Mark-up / return / interest paid	-	-	508	869	63,972	-	808	372	1,433	78,157
Operating expenses:										
- Directors' fees and allowances	-	800	-	-	-	-	550	-	-	-
- Brokerage and commission	-	-	-	832	-	-	-	-	160	-
- Fee and subscription	-	-	446	-	-	-	-	1,104	-	-
- Managerial Remuneration	-	-	88,960	-	-	-	-	84,737	-	-
- Contribution to defined contribution plan	-	-	-	-	32,072	-	-	-	-	26,483
- Charge for defined benefit plan	-	-	-	-	22,726	-	-	-	-	28,153
Provision / (reversal of provision) for diminution in value of investments	-	-	-	50,248	-	-	-	-	-	73,416

Directors include Non-Executive Directors only. Executive Directors including the President / CEO are part of key management personnel.

(Un-audited) (Audited)
June 30, December 31,
2020 2019
----- (Rupees in '000) -----

**37. CAPITAL ADEQUACY, LEVERAGE RATIO
& LIQUIDITY REQUIREMENTS**

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	<u>(12,491,333)</u>	<u>(9,282,739)</u>
---------------------------------	---------------------	--------------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital	<u>(25,868,353)</u>	<u>(21,621,286)</u>
Eligible Additional Tier I (ADT I) Capital	-	-
Total Eligible Tier I Capital	<u>(25,868,353)</u>	<u>(21,621,286)</u>
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier I + Tier 2)	<u>(25,868,353)</u>	<u>(21,621,286)</u>

Risk Weighted Assets (RWAs):

Credit Risk	61,894,509	70,053,222
Market Risk	6,637,650	6,972,343
Operational Risk	8,420,159	8,420,159
Total	<u>76,952,318</u>	<u>85,445,724</u>

Common Equity Tier I Capital Adequacy ratio	<u>-33.62%</u>	<u>-25.30%</u>
Tier I Capital Adequacy Ratio	<u>-33.62%</u>	<u>-25.30%</u>
Total Capital Adequacy Ratio	<u>-33.62%</u>	<u>-25.30%</u>

Leverage Ratio (LR):

Eligible Tier-I Capital	<u>(25,868,353)</u>	<u>(21,621,286)</u>
Total Exposures	<u>127,035,417</u>	<u>138,263,360</u>
Leverage Ratio	<u>-20.36%</u>	<u>-15.64%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	25,913,237	14,935,767
Total Net Cash Outflow	16,812,717	17,180,961
Liquidity Coverage Ratio	<u>154.13%</u>	<u>86.93%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	73,058,223	66,795,162
Total Required Stable Funding	62,688,490	66,682,561
Net Stable Funding Ratio	<u>116.54%</u>	<u>100.17%</u>

38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2019: 14) Islamic banking branches and 35 (December 31, 2019: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note		(Rupees in '000)	
ASSETS			
		1,251,368	451,368
	Cash and balances with treasury banks		
	Balances with other banks	44,115	10,907
	Due from financial institutions	13,843,293	14,201,113
38.1	Investments	1,943,650	-
38.2	Islamic financing and related assets - net	3,816,631	3,831,205
38.3	Fixed assets	292,268	320,842
	Intangible assets	3,526	4,638
	Due from Head Office	-	-
	Deferred tax assets	19,723	-
	Other assets	361,551	409,944
	Total Assets	21,576,125	19,230,017
LIABILITIES			
		599,291	194,231
	Bills payable		
	Due to financial institutions	600,000	250,000
38.4	Deposits and other accounts	17,236,117	15,448,224
38.5	Due to Head Office	-	-
	Subordinated debt	-	-
	Deferred tax liabilities - net	-	-
	Other liabilities	1,464,047	1,794,811
		19,899,455	17,687,266
NET ASSETS			
		1,676,670	1,542,751
REPRESENTED BY			
		1,000,000	1,000,000
	Islamic Banking Fund		
	Reserves	-	-
	Deficit on revaluation of assets	(36,627)	-
	Unappropriated / unremitted profit	713,297	542,751
38.6		1,676,670	1,542,751
CONTINGENCIES AND COMMITMENTS			
38.7			

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020**

	June 30, 2020	June30, 2019
Note	----- (Rupees in '000) -----	
Profit / return earned	38.8 1,052,634	931,468
Profit / return expensed	38.9 510,838	363,595
Net Profit / return	541,796	567,873
Other income		
Fee and commission income	22,353	24,916
Dividend income	-	-
Foreign exchange loss	(40,162)	(132,359)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(7,704)	(3,090)
Other Income	6,800	4,994
Total other income	(18,713)	(105,539)
Total Income	523,083	462,334
Other expenses		
Operating expenses	362,346	339,126
Workers' Welfare Fund	-	-
Other charges	383	247
Total other expenses	362,729	339,373
Profit before provisions	160,354	122,961
(Reversal) / provision and write offs - net	(10,192)	286,424
Profit / (loss) before taxation	170,546	(163,463)
Taxation	-	-
Profit / (loss) profit after taxation	170,546	(163,463)

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Note	(Rupees in '000)					
38.1.1	13,843,293	-	13,843,293	14,001,113	-	14,001,113
38.1.2	-	-	-	200,000	-	200,000
	13,843,293	-	13,843,293	14,201,113	-	14,201,113

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited.

38.1.2 This represented Musharakah lending to a financial institution at mark-up rate of 9.00% per annum and matured on January 2020.

	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Note	----- (Rupees in '000) -----							
38.2 Investments by segments:								
Federal Government Securities:								
- GOP Ijarah Sukuks	2,000,000	-	(56,350)	1,943,650	-	-	-	-
Total Investments	2,000,000	-	(56,350)	1,943,650	-	-	-	-

	(Un-audited)		(Audited)	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Note	----- (Rupees in '000) -----			
38.3 Islamic financing and related assets				
Ijarah	519,877	636,161		
Murabaha	10,183	8,945		
Running Musharakah	785,888	698,301		
Diminishing Musharakah	2,536,164	2,516,321		
Tijarah	699,998	717,068		
Other Islamic Modes	-	80		
Gross Islamic financing and related assets	4,552,110	4,576,876		
Less: provision against Islamic financings				
- Specific	(728,242)	(734,190)		
- General	(7,237)	(11,481)		
	(735,479)	(745,671)		
Islamic financing and related assets - net of provision	3,816,631	3,831,205		

38.4 Due to financial institutions

<i>Secured</i>			
Acceptances from the SBP under Islamic Export Refinance Scheme	250,000	250,000	
<i>Unsecured</i>			
Musharakah	38.4.1	350,000	-
		600,000	250,000

38.4.1 This represents Musharaka acceptance with conventional operations of Summit Bank Limited.

38.5 Deposits

June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)					
Customers					
Current deposits					
5,483,786	476,143	5,959,929	4,794,164	487,731	5,281,895
Savings deposits					
9,186,351	102,240	9,288,591	8,248,534	86,186	8,334,720
Term deposits					
1,446,140	48,503	1,494,643	1,152,052	293,686	1,445,738
Margin accounts					
273,901	-	273,901	230,383	-	230,383
16,390,178	626,886	17,017,064	14,425,133	867,603	15,292,736
Financial Institutions					
Current deposits					
79,981	128	80,109	77,812	121	77,933
Savings deposits					
138,944	-	138,944	77,555	-	77,555
Term deposits					
-	-	-	-	-	-
218,925	128	219,053	155,367	121	155,488
16,609,103	627,014	17,236,117	14,580,500	867,724	15,448,224

38.5.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 9,709.120 million (December 31, 2019: Rs. 9,033.794 million).

38.6 Islamic Banking Business Unappropriated Profit

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
Opening balance	542,751	625,195
Add / (less): Islamic Banking profit / (loss) for the period	170,546	(82,444)
Closing balance	713,297	542,751

38.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	3,160,889	3,962,232
-Commitments	780,975	1,178,059
-Other contingent liabilities	-	-
	3,941,864	5,140,291

38.8 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited) June 30, 2020	June 30, 2019
	(Rupees in '000)	
Profit earned on:		
Financing	211,617	382,543
Investments	21,906	-
Placements	819,016	548,642
Balances with banks	95	283
	1,052,634	931,468

38.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	484,499	339,624
Due to Financial Institutions	11,845	8,302
Finance cost of lease liability	14,494	15,669
	510,838	363,595

39. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on November 19, 2021 by the Board of Directors of the Bank.

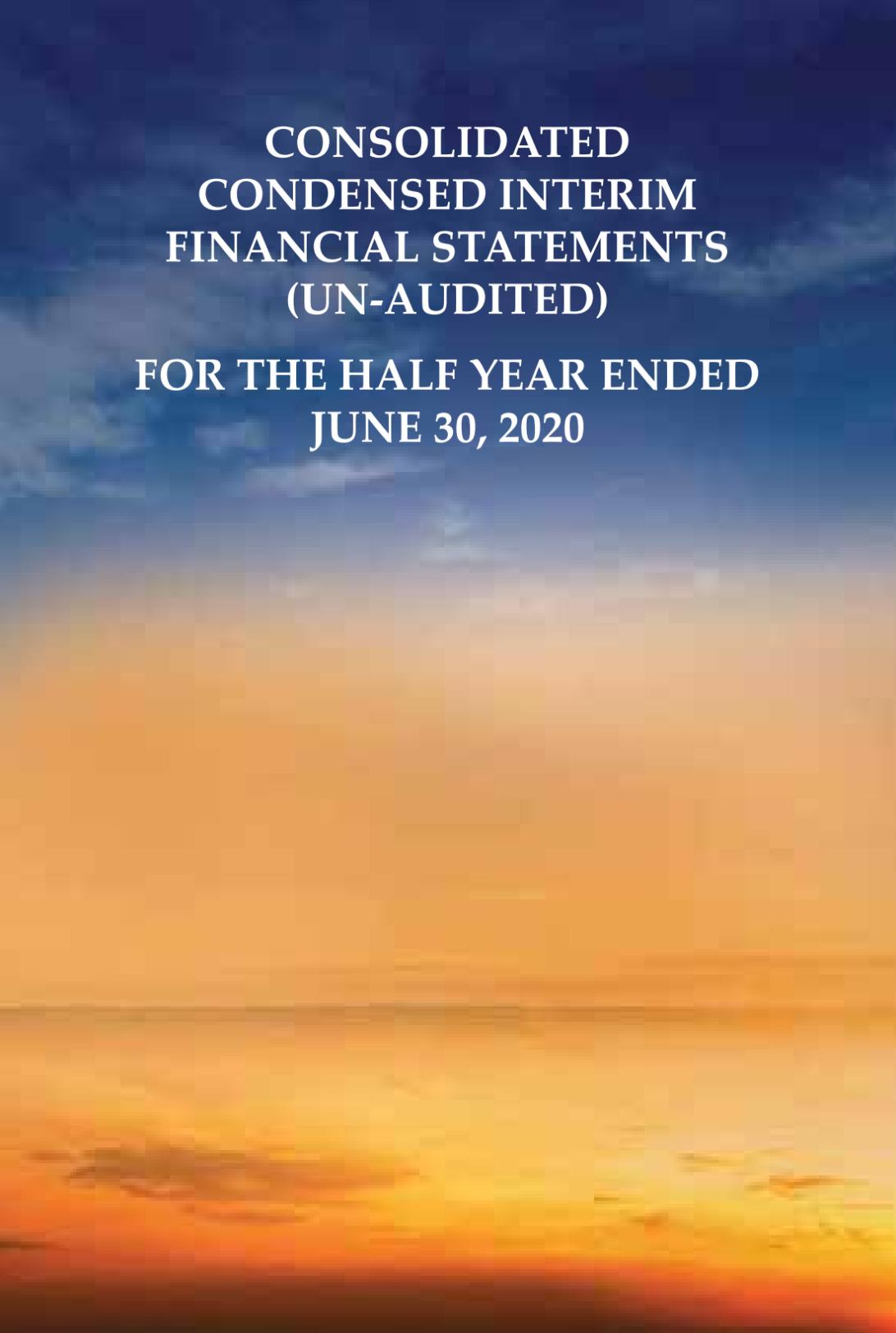
President / Chief Executive

Chief Financial Officer

Director

Director

Director



**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE HALF YEAR ENDED
JUNE 30, 2020**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	7,081,985	5,613,561
Balances with other banks	7	1,026,614	947,572
Lendings to financial institutions	8	1,950,000	991,272
Investments	9	33,595,284	21,709,150
Advances	10	37,111,096	43,242,951
Fixed assets	11	9,968,841	10,220,651
Intangible assets	12	122,720	153,027
Deferred tax assets	13	12,761,684	11,572,394
Other assets	14	10,799,311	11,357,267
		114,417,535	105,807,845
LIABILITIES			
Bills payable	16	2,447,312	1,815,836
Borrowings	17	14,189,378	13,504,780
Deposits and other accounts	18	99,144,678	88,474,564
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,657,827	6,183,032
		122,934,710	111,473,727
NET ASSETS		(8,517,175)	(5,665,882)
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus/ (deficit) on revaluation of assets	21	3,889,012	3,545,693
Accumulated losses		(32,481,338)	(29,286,726)
		(8,517,175)	(5,665,882)
CONTINGENCIES AND COMMITMENTS			
	22		

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2020

		Quarter Ended		Half Year Ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Note		(Rupees in '000)			
Mark-up / return / interest earned	23	1,310,858	1,386,308	2,789,094	2,963,375
Mark-up / return / interest expensed	24	1,722,526	1,657,498	3,890,911	3,167,971
Net Mark-up / interest expense		(411,668)	(271,190)	(1,101,817)	(204,596)
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	113,387	166,026	246,798	352,328
Dividend income		-	90	14,831	18,411
Foreign exchange income		71,065	142,281	167,288	257,469
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	26	603,691	(1,093)	614,094	(2,648)
Other Income	27	10,899	45,743	29,629	81,476
Total non-markup / interest income		799,042	353,047	1,072,640	707,036
Total income		387,374	81,857	(29,177)	502,440
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	1,289,752	1,283,162	2,554,932	2,649,180
Workers welfare fund		-	-	-	-
Other charges	29	5,489	12,425	12,015	16,891
Total non-markup/interest expenses		1,295,241	1,295,587	2,566,947	2,666,071
Loss before provisions		(907,867)	(1,213,730)	(2,596,124)	(2,163,631)
Provisions and write offs - net	30	666,660	2,892,135	1,981,001	4,422,150
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(1,574,527)	(4,105,865)	(4,577,125)	(6,585,781)
Taxation	31	(320,166)	(1,367,815)	(1,325,121)	(2,189,189)
LOSS AFTER TAXATION		(1,254,361)	(2,738,050)	(3,252,004)	(4,396,592)
(Rupees)					
Basic loss per share	32	(0.47)	(1.04)	(1.23)	(1.67)
Diluted loss per share	32	(0.47)	(1.04)	(1.23)	(1.67)

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2020

	Quarter Ended		Half Year Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Rupees in '000)			
Loss after taxation for the period	(1,254,361)	(2,738,050)	(3,252,004)	(4,396,592)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	155,597	(88,941)	371,177	135,233
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain on defined benefit obligations	14,532	-	14,532	-
Movement in surplus on revaluation of operating fixed assets - net of tax	6,206	8,829	15,002	17,664
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	316
	20,738	8,829	29,534	17,980
Total comprehensive income	(1,078,026)	(2,818,162)	(2,851,293)	(4,243,379)

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2020

	Capital reserves			Surplus / (Deficit) on revaluation of			Revenue reserve	
	Share capital	Share premium	Statutory reserve	Reserve arising on amalgamation	Investments	Fixed / Non banking assets	Property held for sale	Total
Balance as at January 01, 2019 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(1,072,442)	2,911,842	754,510	2,721,493
Loss after taxation for the six months period ended June 30, 2019	-	-	-	-	-	-	-	(4,396,592)
Other comprehensive income - net of tax	-	-	-	-	135,233	17,980	-	153,213
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(50,471)	-	50,471
Surplus realized on disposal of fixed assets	-	-	-	-	-	(15,911)	-	15,911
Surplus realized on disposal of non-banking assets	-	-	-	-	-	(902)	-	902
Balance as at July 01, 2019 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(937,209)	2,862,538	754,510	(1,521,886)
Loss after taxation for the six month period ended December 31, 2019	-	-	-	-	-	-	-	(5,090,326)
Other comprehensive income - net of tax	-	-	-	-	896,347	48,072	-	1,911
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(50,404)	-	50,404
Surplus realized on disposal of fixed assets	-	-	-	-	-	(28,161)	-	28,161
Surplus realized on disposal of non-banking assets	-	-	-	-	-	-	-	-
Balance as at January 01, 2020 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(40,862)	2,832,045	754,510	(5,665,882)
Loss after taxation for the six months period ended June 30, 2020	-	-	-	-	-	-	-	(3,252,004)
Other comprehensive income - net of tax	-	-	-	-	371,177	15,002	-	14,532
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(42,860)	-	42,860
Surplus realized on disposal of non-banking assets	-	-	-	-	-	-	-	-
Surplus realized on disposal of fixed assets	-	-	-	-	-	-	-	-
Balance as at June 30, 2020 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	330,315	2,804,187	754,510	(8,517,175)

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2020

Note	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(4,577,125)	(6,585,781)
Less: Dividend income	(14,831)	(18,411)
	<u>(4,591,956)</u>	<u>(6,604,192)</u>
Adjustments:		
Depreciation on operating fixed assets	260,753	276,436
Depreciation on right-of-use assets	273,119	257,828
Depreciation on non banking assets	22,063	22,067
Finance cost of lease liability	143,945	138,329
Amortization	31,004	31,058
Charge for defined benefit plan	24,226	29,653
Charge for employees compensated absences	9,636	7,140
Provision and write-offs excluding recoveries	1,981,603	4,422,150
Gain on sale of fixed assets	(1,578)	(30,901)
Gain on disposal of non-banking assets - net	-	-
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	212	388
	<u>2,744,983</u>	<u>5,154,148</u>
	<u>(1,846,973)</u>	<u>(1,450,044)</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(958,728)	(1,983,560)
Held-for-trading securities	458	(6,098)
Advances	4,385,336	6,510,527
Others assets (excluding advance taxation)	549,650	149,799
	<u>3,976,716</u>	<u>4,670,668</u>
Increase / (decrease) in operating liabilities		
Bills Payable	631,476	(40,494)
Borrowings from financial institutions	833,238	(4,923,641)
Deposits	10,670,114	4,733,047
Other liabilities (excluding current taxation)	(447,059)	57,148
	<u>11,687,769</u>	<u>(173,940)</u>
Payments on account of staff retirement benefits	(141,328)	(12,959)
Income tax paid	(66,785)	(59,453)
Net cash generated from operating activities	<u>13,609,399</u>	<u>2,974,272</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(11,546,715)	(729,843)
Dividends received	14,698	18,278
Investments in fixed assets	(38,132)	(85,095)
Investments in intangible assets	(696)	(3,120)
Proceeds from sale of fixed assets	1,731	140,370
Proceeds from sale of non-banking assets	-	10,000
Net cash used in investing activities	<u>(11,569,114)</u>	<u>(649,410)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(344,179)	(491,338)
Net cash used in financing activities	<u>(344,179)</u>	<u>(491,338)</u>
Effect of exchange rate changes on cash and cash equivalent	116,667	228,432
Increase in cash and cash equivalents	<u>1,812,773</u>	<u>2,061,956</u>
Cash and cash equivalents at beginning of the period	6,273,411	5,816,602
Cash and cash equivalents at end of the period	<u>8,086,184</u>	<u>7,878,558</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2020

I. STATUS AND NATURE OF BUSINESS

I.1 The Group comprises of:

I.1.1 Holding Company: Summit Bank Limited

Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at June 30, 2020.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 179 Conventional Banking Branches and 14 Islamic Banking Branches (2019: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). However, the TFC holders had approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2022, subject to applicable regulatory approvals and compliances.

I.1.2 Subsidiary

Summit Capital Private Limited - 100% Shareholding

SCPL, the subsidiary company was incorporated in Pakistan on March 08, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The subsidiary company is a corporate member / TREC holder of Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited. The principal activities of the subsidiary company are equity and money market brokerage, interbank foreign exchange brokerage, commodity brokerage and research. The registered office of the Subsidiary is situated at 701-702, 7th Floor, Business and Finance Centre, opposite State Bank of Pakistan, I.I. Chundrigar Road, Karachi. The Group acquired interest in SCPL by virtue of amalgamation of Atlas Bank Limited.

- I.2** During the half year ended June 30, 2020, the Group has incurred net loss of Rs. 3,252.004 million resulting in accumulated losses of Rs. 32,481.338 million and negative equity of Rs. 8,517.175 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of June 30, 2020. However, the paid up capital of the Bank (net of losses), CAR and LR are negative.

The Group is making best efforts to comply with applicable capital requirements through increase in capital / capital injection at the earliest. For this, the management has prepared a business plan, which has been approved by the Board.

This plan aims to improve the Group's capital base and risk absorption capacity and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital;
- Reaping benefits from the expected growth of Islamic finance in Pakistan since the Group will speed-up the implementation process of its earlier decision of conversion to a full-fledged Islamic bank;
- Recoveries from non-performing advances through strenuous and focused recovery efforts;
- Reduction in overall level of non-earning assets held by the Group;
- Identifying opportunities for rationalization of the cost structure;
- Improvement in the risk management and technological infrastructure of the Group to support the business plan;
- Investments / exposures in safe avenues for achieving solid growth in the core business income; and
- Income generation through avenues for mark-up income and non-mark-up income

In this respect, the Bank had received a letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (The Investor) in which The Investor had communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank. In compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transactions, this was followed by a public announcement by The Investor of the intention to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor has now submitted his offer via a letter dated October 01, 2021, as per the Share Subscription Agreement (SSA) dated October 04, 2021 entered between the Bank and The Investor for the proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the Share Subscription Agreement which is duly approved by the Board of Directors. The Bank intends to issue total 5,976.096 million new ordinary shares.

The management and the Board of Directors are hopeful that with the capital injection along with the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve compliance with applicable regulatory requirements.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements represent financial statements of the Holding Company - Summit Bank Limited and its subsidiary. The assets and liabilities of subsidiary have been consolidated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of the subsidiary in these consolidated condensed interim financial statements.

2.2 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017;
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, the SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.3 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect these return through its power over the investee.

These consolidated financial statements incorporate the financial statements of subsidiary from the date that control commences until the date that control ceases.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary attributable to the interest which are not owned by the Group. Material intra-group balances and transactions are eliminated.

2.4 Key financial figures of the Islamic banking branches are disclosed in note 38 to these condensed interim consolidated financial statements.

2.5 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting'. These consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019.

2.6 Standards, interpretations of and amendments to existing accounting standards that have become effective in the current period

There are certain amendments to existing accounting and reporting standards that have been applicable to the Group's accounting periods beginning on or after January 01, 2020. These are considered either not to be relevant or do not have any significant impact on the Group's operations and therefore are not detailed in these consolidated condensed interim financial statements.

2.7 Standards and amendments to existing accounting standards that are not yet effective

The SECP, through SRO229(I)/2019 dated February 14, 2019, has notified that IFRS 9, 'Financial Instruments', is applicable for accounting periods ending on or after June 30, 2019. However, as per the SBP's BPRD Circular No. 04 of 2019 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2021. The impact of the application of IFRS 9 on the Group's consolidated condensed interim financial statements is being assessed.

2.8 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets and non banking assets in satisfaction of claims are stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value and defined benefit obligations which are carried at present value.

3.2 Functional and Presentation Currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2019 except for the following additional considerations due to COVID-19:

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 625 basis points since beginning of the year to 7% in June 2020. Other regulatory measures to provide an impetus to economic activity include the following:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;
- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- Allowing banks to defer borrowers' principal loan payments by one year;
- Relaxing regulatory criteria for restructured / rescheduled loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up and
- Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

5.1 Credit Risk Management

The Risk Management function of the Group is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Group is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

5.2 Liquidity Risk Management

The Group has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Group as per its established policies. The Asset and Liability Committee (ALCO) of the Group is continuously monitoring the liquidity position.

5.3 Equity Risk Management

The carrying value of the Group's investment in listed equity securities classified as available-for-sale amounts to Rs. 1.569 billion as at June 30, 2020. During the half year the Pakistan Stock Exchange fell by 15.50%, triggering an impairment of Rs. 69.513 million. The Group has recorded the full amount and has not availed the benefit as allowed by the SBP.

5.4 Operational Risk Management

The Group is closely monitoring the situation and has invoked required actions to ensure the safety and security of the Group's staff and uninterrupted service to customers. The senior management of the Group is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Business Continuity Plans (BCP) for respective areas are in place. The Group has significantly enhanced monitoring of cyber security risk during these times. The remote work capabilities were enabled for staff, where required, and related risk and control measures were assessed to ensure that the Group's information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. The Group is communicating with its customers on how they can connect with the Bank through its full suite of channels including digital and online channels. The Group has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turn around times are monitored and the Group continues to meet the expectations of its employees and customers.

5.5 Capital Adequacy Ratio (CAR)

In order to encourage Group to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

(Un-audited) (Audited)
June 30, December 31,
2020 2019
----- (Rupees in '000) -----

6. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency
Foreign currency

3,341,265	2,918,525
521,352	375,536
3,862,617	3,294,061

With State Bank of Pakistan in

Local currency current account
Foreign currency current account
Foreign currency deposit account

1,582,911	961,761
351,898	370,395
211,929	146,827
2,146,738	1,478,983

With National Bank of Pakistan in local currency current account

1,070,868 789,312

Prize bonds

1,762 51,205

7,081,985	5,613,561
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7. BALANCES WITH OTHER BANKS

In Pakistan

In current account
In deposit account

6,172	47,525
199,342	76,882
205,514	124,407

Outside Pakistan

In current account
In deposit account

445,706	247,906
375,394	575,259
821,100	823,165

1,026,614	947,572
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8. LENDINGSTO FINANCIAL INSTITUTIONS

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Call money lending	-	200,000
Repurchase agreement lendings(Reverse Repo)	1,950,000	791,272
	1,950,000	991,272
Less: Provision held against Lending to Financial Institutions	-	-
Lendings To Financial Institutions - net of provision	1,950,000	991,272

9. INVESTMENTS

9.1 Investments by type:

	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	(Rupees in '000)							
Held-for-trading securities								
Shares	5,084	-	(212)	4,872	5,850	-	(308)	5,542
Available-for-sale securities								
Federal Government Securities								
- Treasury Bills	28,148,264	-	94,868	28,243,132	3,050,459	-	13,210	3,063,669
- Pakistan Investment Bonds	1,602,056	-	174,609	1,776,665	15,551,796	-	(563,399)	14,988,397
- GoP Ijarah Sukuks	2,000,000	-	(56,350)	1,943,650	1,600,000	-	(16,000)	1,584,000
Shares								
- Fully paid up ordinary shares-Listed	4,152,347	(2,871,477)	289,017	1,569,887	4,152,347	(2,801,965)	495,065	1,845,447
- Fully paid up ordinary shares-Unlisted	14,475	(1,000)	-	13,475	14,475	(1,000)	-	13,475
- Preference shares - Unlisted	46,035	(46,035)	-	-	46,035	-	-	46,035
Non Government Debt Securities								
- Term Finance Certificates	1,599,000	(1,555,397)	-	43,603	1,600,350	(1,437,765)	-	162,585
- Sukuk Bonds	200,000	(200,000)	-	-	200,000	(200,000)	-	-
	37,762,177	(4,673,909)	502,144	33,590,412	26,215,462	(4,440,730)	(71,124)	21,703,608
Total Investments	37,762,261	(4,673,909)	501,932	33,595,284	26,221,312	(4,440,730)	(71,432)	21,709,150

9.1.1 Investments given as collateral - Market Value

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Pakistan Investment Bonds	305,994	5,443,670
Treasury Bills	6,859,333	-
	7,165,327	5,443,670

9.2 Provision for diminution in value of investments

Opening balance	4,440,730	3,156,696
Charge / reversals		
Charge for the period / year	234,529	1,287,284
Reversals for the period / year	(1,350)	(3,250)
	233,179	1,284,034
Closing balance	4,673,909	4,440,730

9.3 Particulars of provision against debt securities

Category of classification

Domestic

Doubtful

Loss

June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
NPI	Provision	NPI	Provision
(Rupees in '000)			
	-	281,567	118,982
1,799,000	1,755,397	1,518,783	1,518,783
1,799,000	1,755,397	1,800,350	1,637,765

- 9.4 Pursuant to the applicable Prudential Regulations, the Group has availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this FSV benefit not been availed by the Group, the specific provision against investments would have been higher by Rs. 43.603 million (December 31, 2019: Rs. 21.802 million). This has a net of tax positive impact of Rs. 28.342 million (December 31, 2019: Rs. 14.171 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	(Rupees in '000)					
Loans, cash credits, running finances, etc.	22,649,641	27,028,337	39,737,326	39,955,184	62,386,967	66,983,521
Islamic financing and related assets	3,713,563	3,767,335	838,547	809,541	4,552,110	4,576,876
Bills discounted and purchased	235,028	549,377	77,089	77,089	312,117	626,466
Advances - gross	26,598,232	31,345,049	40,652,962	40,841,814	67,251,194	72,186,863
Provision against advances						
- Specific	-	-	(30,113,806)	(28,903,404)	(30,113,806)	(28,903,404)
- General	(26,292)	(40,508)	-	-	(26,292)	(40,508)
	(26,292)	(40,508)	(30,113,806)	(28,903,404)	(30,140,098)	(28,943,912)
Advances - net of provision	26,571,940	31,304,541	10,539,156	11,938,410	37,111,096	43,242,951

10.1 Particulars of advances (Gross)

In local currency
In foreign currencies

(Un-audited) June 30, 2020	(Audited) December 31, 2019
67,002,448	71,881,548
248,746	305,315
67,251,194	72,186,863

- 10.2 Advances include Rs. 40,652.962 million (December 31, 2019: Rs. 40,841.814 million) which have been placed under non-performing status as detailed below:

Category of Classification

Domestic

Other Assets Especially Mentioned

Substandard

Doubtful

Loss

June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
Non Performing Loans	Provision	Non Performing Loans	Provision
(Rupees in '000)			
103,698	2,237	8,963	873
352,426	17,578	2,057,443	339,271
1,577,822	452,819	1,668,552	109,872
38,619,016	29,641,172	37,106,856	28,453,388
40,652,962	30,113,806	40,841,814	28,903,404

10.3 Particulars of provision against advances

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	28,903,404	40,508	28,943,912	21,502,664	46,988	21,549,652
Charge for the period / year	2,240,602	(14,216)	2,226,386	8,222,910	-	8,222,910
Reversals	(480,839)	-	(480,839)	(819,338)	(6,480)	(825,818)
	1,759,763	(14,216)	1,745,547	7,403,572	(6,480)	7,397,092
Amounts written off	(549,361)	-	(549,361)	(2,832)	-	(2,832)
Closing balance	30,113,806	26,292	30,140,098	28,903,404	40,508	28,943,912

10.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages range from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

The Group has maintained general provision against housing finance portfolio at the rate of 1.5% and against unsecured SE portfolio at the rate of 1%.

10.3.2 The Group has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Group, the specific provision against non-performing advances would have been higher by Rs. 9,392.598 million (December 31, 2019: Rs. 9,347.484 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 6,105.188 million (December 31, 2019: Rs. 6,075.865 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP had granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. Nil (December 31, 2019: Rs. 205.502 million).

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		(Rupees in '000)	
11. FIXED ASSETS			
Capital work-in-progress	11.1	8,575	73,364
Property and equipment		7,895,646	8,053,631
Right of use assets		2,064,620	2,093,656
		9,968,841	10,220,651
11.1 Capital work-in-progress			
Civil works and related payments / progress billings		3,949	68,738
Advances and other payments to suppliers and contractors		4,626	4,626
Advances and other payments against capital work in progress considered doubtful		1,158,340	1,158,340
Less: Provision there against		(1,158,340)	(1,158,340)
		8,575	73,364
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Property and equipment			
Building improvements		42,695	170,434
Furniture and fixture		679	63,053
Electrical, office and computer equipment		59,456	29,032
Building on leasehold land		53	-
		102,883	262,519
Right of use asset-net		244,083	2,103,965
		346,966	2,366,484

11.3 Transfer / Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

(Un-audited)	
June 30, 2020	June 30, 2019
----- (Rupees in '000) -----	
Capital work-in-progress	64,789 177,391
Property and equipment	
Leasehold land	- 104,010
Building improvements	21 143
Building on leasehold land	- 89
Furniture and fixture	- 18
Electrical, office and computer equipment	132 3,661
Vehicles	- 1,548
	153 109,469
Total	64,942 286,860

12. INTANGIBLE ASSETS

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
Capital work-in-progress	12.1	45,098	47,187
Intangible Assets	12.2	77,622	105,840
		122,720	153,027

12.1 Capital work-in-progress

Advances to suppliers and contractors	45,098	47,187
Advances against capital work in progress considered doubtful	141,224	141,224
Less: Provision held there against	(141,224)	(141,224)
	-	-
	45,098	47,187

12.2 Intangible Assets

Computer Software	48,386	58,918
Core deposits	14,053	24,547
Brand name	10,797	17,989
Trading Rights Entitlement Certificate	4,386	4,386
	77,622	105,840

12.3 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Directly purchased	2,089	10,414
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12.4 There were no disposals in intangible assets during the current and prior period.

13. DEFERRED TAX ASSETS

Deductible Temporary Differences on

- Tax losses carried forward
- Provision against advances, off balance sheet etc.
- Provision for impairment loss - Investment
- Provision against intangible assets
- Staff Compensated absences
- Unrealized loss on HFT Portfolio
- Provision against other assets
- Minimum tax
- Alternative Corporate tax

June 30, 2020 (Un-audited)			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2020
(Rupees in '000)			
5,889,305	960,416	-	6,849,721
5,826,396	327,609	-	6,154,005
1,554,256	81,612	-	1,635,868
43,107	-	-	43,107
39,589	1,437	-	41,026
108	(34)	-	74
149,656	-	-	149,656
553	-	-	553
4,512	-	-	4,512
13,507,482	1,371,040	-	14,878,522

Taxable Temporary Differences on

- Deficit / (surplus) on revaluation of investments
- Surplus on revaluation of fixed assets
- Surplus on revaluation of Property - Held for sale
- Surplus on revaluation of non-banking assets
- Accelerated tax depreciation
- Unrealized gain / (loss) on forward exchange contracts

30,262	-	(202,091)	(171,829)
(1,026,325)	-	15,000	(1,011,325)
(406,274)	-	-	(406,274)
(156,349)	-	-	(156,349)
(380,696)	14,710	-	(365,986)
4,294	(9,369)	-	(5,075)
(1,935,088)	5,341	(187,091)	(2,116,838)
11,572,394	1,376,381	(187,091)	12,761,684

Deductible Temporary Differences on

- Tax losses carried forward
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.
- Provision for impairment loss - Investment
- Provision against intangible assets
- Staff Compensated absences
- Unrealized loss on HFT Portfolio
- Provision against other assets
- Unrealized gain on forward exchange contracts
- Minimum tax
- Alternative Corporate tax

December 31, 2019 (Audited)			
At January 01, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2019
(Rupees in '000)			
3,811,925	2,077,380	-	5,889,305
586,668	-	(556,406)	30,262
3,433,882	2,392,514	-	5,826,396
1,104,844	449,412	-	1,554,256
43,107	-	-	43,107
36,027	3,562	-	39,589
-	108	-	108
149,656	-	-	149,656
3,078	1,216	-	4,294
773	(220)	-	553
4,512	-	-	4,512
9,174,472	4,923,972	(556,406)	13,542,038

Taxable Temporary Differences on

- Surplus on revaluation of fixed assets
- Surplus on revaluation of Property - Held for sale
- Surplus on revaluation of non-banking assets
- Accelerated tax depreciation

(1,063,624)	-	37,299	(1,026,325)
(406,274)	-	-	(406,274)
(141,352)	-	(14,997)	(156,349)
(382,627)	1,931	-	(380,696)
(1,993,877)	1,931	22,302	(1,969,644)
7,180,595	4,925,903	(534,104)	11,572,394

13.1 The net deferred tax asset has been recognized in accordance with the Group's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the recognized deferred tax asset could be realized. The projections include certain key assumptions underlying management's estimation of profits. Any significant change in such assumptions may have effect on the recoverability of deferred tax asset. The management believes that it is probable that the Group would be able to achieve the profits and consequently, the recognized deferred tax asset will be fully realized in future.

14. OTHER ASSETS

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	-----	-----
	(Rupees in '000)	(Rupees in '000)
Income / mark-up accrued in local currency	951,481	1,325,130
Income / mark-up accrued in foreign currency	2,487	1,768
Advances, deposits, advance rent and other prepayments	338,654	346,680
Advance taxation (payments less provisions)	645,905	630,380
Non-banking assets acquired in satisfaction of claims	2,746,645	2,768,708
Branch adjustment account	19	-
Receivable from other banks against clearing and settlement	485,618	218,053
Mark to market gain on forward foreign exchange contracts	14,500	6,079
Acceptances	203,454	453,864
Receivable from brokers	173	-
Stationery and stamps on hand	7,807	9,093
Commission receivable on home remittance	44,910	162,594
Commission receivable on brokerage	-	8,352
Property - held for sale	3,838,719	3,838,719
Account receivable	91,620	106,839
Others	471,978	523,761
	9,843,970	10,400,020
Less: Provision held against other assets	(652,154)	(650,249)
Other assets (net of provision)	9,191,816	9,749,771
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	446,711	446,712
Surplus on revaluation of Property - Held for sale	1,160,784	1,160,784
Other assets - total	10,799,311	11,357,267

- 14.1** This represents a portion of the Group's self constructed property which has been earmarked for selling in the near future. This property is carried at lower of market value / fair value less cost to sell and carrying amount.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	-----	-----
	(Rupees in '000)	(Rupees in '000)
Income/ mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	79,664	79,664
Non banking assets acquired in satisfaction of claims	290,547	290,547
Commission receivable on guarantee	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account Receivable - Sundry Claims	201,093	199,188
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	9,451	9,451
	652,154	650,249

14.2.1 Movement in provision held against other assets

Opening balance	650,249	648,388
Charge for the period / year	1,905	2,317
Reversals	-	(409)
Amount written off	-	(47)
Closing balance	652,154	650,249

(Un-audited) (Audited)
June 30, December 31,
2020 2019
----- (Rupees in '000) -----

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

16. BILLS PAYABLE

In Pakistan	2,447,312	1,815,836
Outside Pakistan	-	-
	<u>2,447,312</u>	<u>1,815,836</u>

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme	6,289,040	6,780,140
- Under Islamic Export Refinance Scheme (IERF)	250,000	250,000
- Under long-term financing facility	783,313	857,219
- Refinance facility for modernization of SMEs	4,762	5,650
- Repurchase agreement borrowings	6,839,848	5,440,716
Total secured	14,166,963	13,333,725

Unsecured

Overdrawn nostro accounts	22,415	171,055
	<u>14,189,378</u>	<u>13,504,780</u>

17.1 Particulars of borrowings with respect to Currencies

In local currency	14,166,963	13,333,725
In foreign currencies	22,415	171,055
	<u>14,189,378</u>	<u>13,504,780</u>

18. DEPOSITS AND OTHER ACCOUNTS

June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----					
30,348,094	1,294,108	31,642,202	25,059,806	1,390,243	26,450,049
42,340,551	3,517,055	45,857,606	41,131,498	1,290,353	42,421,851
12,738,703	2,946,388	15,685,091	11,202,150	3,032,909	14,235,059
2,982,348	26,428	3,008,776	3,323,784	24,352	3,348,136
88,409,696	7,783,979	96,193,675	80,717,238	5,737,857	86,455,095
572,960	91,607	664,567	602,199	286,055	888,254
1,879,305	5	1,879,310	719,084	5	719,089
407,126	-	407,126	412,126	-	412,126
-	-	-	-	-	-
2,859,391	91,612	2,951,003	1,733,409	286,060	2,019,469
91,269,087	7,875,591	99,144,678	82,450,647	6,023,917	88,474,564

18.1 Deposits include Eligible Deposits of Rs. 65,387.115 million (December 31, 2019: Rs. 55,745.364 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

18.2 Deposits include USD 13.180 million held by H.E. Nasser Abdulla Hussain Lootah (The Investor) in FCY deposit account.

19. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2021 (December 31, 2019: October 27, 2020)

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts were extended thrice by the Bank to October 27, 2019, October 27, 2020 and October 27, 2021 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019 and October 22, 2020. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020 and July 09, 2021. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020 and October 22, 2021.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 26, 2021 have approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts (principal and the related mark-up) with the revised maturity date of October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules and requisite regulatory requirements for seeking final approval from the State Bank of Pakistan.

Rating	'D' (Default).
Security	Unsecured.
Redemption / profit payment frequency	The redemption / profit payment details are mentioned in the above maturity date clause.
Mark up	Base rate (6 months KIBOR - ask side) plus 325 bps.
Call option	The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.
Lock-in-clause	Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Bank's Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.

20. OTHER LIABILITIES

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency	1,166,941	1,229,525
Mark-up / return / interest payable in foreign currencies	198	459
Unearned income	8,024	8,986
Accrued expenses	112,181	89,293
Advance against sale of property	484,344	476,544
Acceptances	203,454	453,864
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	-	18,348
Payable to defined benefit plan	8,194	134,673
Charity fund balance	-	504
Branch adjustment account	-	80
Security deposits against lease	570,689	641,208
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	185,100	199,376
Provision for compensated absences	118,409	113,928
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	28,690	29,374
Workers' Welfare Fund	13,360	13,360
Withholding taxes and government levies payable	21,375	26,010
Federal excise duty and sales tax payable	4,447	10,135
Commission payable on home remittances	19,767	137,909
Lease liability against right-of-use assets	2,163,534	2,119,682
Account payable	113,932	74,624
Others	355,130	325,092
	<u>5,657,827</u>	<u>6,183,032</u>

21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of:

- Available for sale securities	9.1	502,144	(71,124)
- Fixed assets		3,525,147	3,568,007
- Non-banking assets acquired in satisfaction of claims	14	446,712	446,712
- Property - held for sale	14	1,160,784	1,160,784
		<u>5,634,787</u>	<u>5,104,379</u>

Deferred tax on surplus / (deficit) on revaluation of:

- Available for sale securities	(171,829)	30,262
- Fixed assets	(1,011,323)	(1,026,325)
- Non-banking assets acquired in satisfaction of claims	(156,349)	(156,349)
- Property - held for sale	(406,274)	(406,274)
	<u>(1,745,775)</u>	<u>(1,558,686)</u>
	<u>3,889,012</u>	<u>3,545,693</u>

22. CONTINGENCIES AND COMMITMENTS

Guarantees	22.1	14,163,436	19,912,355
Commitments	22.2	19,637,315	24,318,660
Other contingent liabilities	22.3	16,598,867	11,632,928
		<u>50,399,618</u>	<u>55,863,943</u>

22.1 Guarantees:

Financial guarantees	23,677	23,677
Performance guarantees	12,358,823	16,025,962
Other guarantees	1,780,936	3,862,716
	<u>14,163,436</u>	<u>19,912,355</u>

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
22.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,693,425	6,953,447
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	5,878,338	5,507,866
- forward lending	22.2.2	5,100,420	6,198,509
- operating leases	22.2.3	11,928	46,310
Commitments for capital expenditure			
- operating fixed assets		5,965	75,637
- intangible assets		107,391	96,175
Other commitments	22.2.4	6,839,848	5,440,716
		<u>19,637,315</u>	<u>24,318,660</u>
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,878,338	4,815,225
Sale		-	692,641
		<u>5,878,338</u>	<u>5,507,866</u>
22.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,322,447	4,465,388
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	777,973	1,733,121
		<u>5,100,420</u>	<u>6,198,509</u>
22.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.			
		(Un-audited) June 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
22.2.3 Commitments in respect of operating leases			
Not later than one year		11,928	46,310
Later than one year and not later than five years		-	-
Later than five years		-	-
		<u>11,928</u>	<u>46,310</u>
22.2.4 Other commitments			
Purchase (Repo)		6,839,848	5,440,716
		<u>6,839,848</u>	<u>5,440,716</u>
22.3 Other contingent liabilities - claims against the Group not acknowledged as debts		<u>16,598,867</u>	<u>11,632,928</u>
22.4 During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Group has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible. The matter is currently subjudice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Group.			
22.5 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 31.2.			

		(Un-audited)	
		Half year ended	
		June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
23.	MARK-UP / RETURN / INTEREST EARNED	Note	
	On:		
	Loans and advances	1,609,904	2,335,479
	Investments	1,141,510	589,188
	Lendings to financial institutions	27,700	25,847
	Balances with banks	9,980	12,861
		<u>2,789,094</u>	<u>2,963,375</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	2,910,481	2,141,086
	Borrowings	499,677	577,337
	Subordinated debt	108,671	99,617
	Cost of foreign currency swaps against foreign currency deposits / borrowings	228,137	211,602
	Finance cost of lease liability	143,945	138,329
		<u>3,890,911</u>	<u>3,167,971</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	13,130	2,765
	Consumer finance related fees	3,956	1,614
	Card related fees (debit cards)	35,647	42,790
	Credit related fees	2,783	5,693
	Investment banking fees	9,666	1,716
	Commission on trade	77,991	113,059
	Commission on guarantees	56,145	77,294
	Commission on cash management	560	1,982
	Commission on remittances including home remittances	7,922	29,481
	Commission on bancassurance	785	1,633
	Commission on Benazir Income Support Programme	-	38,409
	Alternate delivery channels	5,150	10,030
	Commission on brokerage	33,055	25,692
	Others	8	170
		<u>246,798</u>	<u>352,328</u>
26.	GAIN / (LOSS) ON SECURITIES		
	Realised	26.1 614,306	(2,260)
	Unrealised - held for trading	(212)	(388)
		<u>614,094</u>	<u>(2,648)</u>
26.1	Realised gain / (loss) on:		
	Federal Government Securities	613,138	(2,583)
	Shares	1,168	323
		<u>614,306</u>	<u>(2,260)</u>

27. OTHER INCOME

	(Un-audited)	
	Half year ended	
	June 30, 2020	June 30, 2019
Note	----- (Rupees in '000) -----	
Rent on property / locker	14,411	6,411
Gain on sale of fixed assets - net	1,578	30,901
Gain on sale of ijarah assets	3,899	1,797
Account maintenance and other relevant charges	4,703	34,291
Recovery of expenses from customers	4,996	7,749
Others	42	327
	29,629	81,476

28. OPERATING EXPENSES

Total compensation expense	28.1	883,539	857,575
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Property expense

Rent and taxes	82,997	82,068
Insurance - property	2,012	2,525
Insurance - non banking assets	197	80
Utilities cost	94,112	112,508
Security (including guards)	98,011	81,444
Repair and maintenance (including janitorial charges)	63,485	51,403
Depreciation on owned fixed assets	136,641	145,662
Depreciation on right-of-use assets	273,119	257,828
Depreciation on non banking Assets	22,063	22,067
	772,637	755,585

Information technology expenses

Software maintenance	49,398	25,788
Hardware maintenance	48,650	31,141
Depreciation on computer equipments	49,290	55,630
Amortisation of computer softwares	13,318	13,372
Network charges	43,836	45,191
Insurance	1,123	96
	205,615	171,218

Other operating expenses

Directors' fees and allowances	800	550
Fees and allowances to Shariah Board	2,645	2,400
Legal and professional charges	82,092	162,982
Outsourced services costs	73,019	64,475
Travelling and conveyance	70,936	76,554
NIFT clearing charges	11,190	14,226
Depreciation	74,822	75,144
Amortisation of core deposits and brand name	17,686	17,686
Training and development	1,667	2,819
Postage and courier charges	19,089	23,394
Communication	26,228	23,066
Stationery and printing	45,284	53,050
Marketing, advertisement and publicity	11,981	12,773
Brokerage and commission	199	1,717
Fee and subscription	39,856	60,685
Cash transportation and sorting charges	34,499	48,416
Entertainment	13,975	16,383
Insurance	116,803	120,707
Repair and maintenance	37,934	36,544
Auditors' Remuneration	4,574	9,841
Others	7,862	41,390
	693,141	864,802

2,554,932	2,649,180
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		(Un-audited)	
		Half year ended	
		June 30, 2020	June 30, 2019
		(Rupees in '000) -----	
		Note	
28.1	Total compensation expense		
	Fees and allowances etc.	14,543	15,675
	Managerial remuneration		
	i) Fixed	555,680	531,561
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	2,333	3,334
	b) Incentives and commission	3,029	2,823
	Charge for defined benefit plan	24,226	29,653
	Contribution to defined contribution plan	33,443	27,902
	Charge for employees compensated absences	9,636	7,140
	Rent and house maintenance	165,395	163,798
	Utilities	36,802	36,397
	Medical	38,180	39,057
	Employee old age benefit institution	272	235
	Total	883,539	857,575
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	275	8,378
	Bank charges	11,740	8,513
		12,015	16,891
30.	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	233,179	608,476
	Provisions against loans & advances	1,745,547	3,810,518
	Provision against other assets	1,905	3,067
	Bad debts written off directly	972	89
	Recoveries against written off / charged off bad debts	(602)	-
		1,981,001	4,422,150
31.	TAXATION		
	Current	31.1 & 32.2	51,260
	Prior years		47,962
	Deferred	(1,376,381)	(2,237,151)
		(1,325,121)	(2,189,189)
31.1	This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.		
31.2	The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2018 i.e. tax year 2019.		
	In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2013, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand (net of rectification) of Rs.230.52 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of ex-My Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2011, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of ex-Atlas Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2010, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.89.74 million through amended assessment orders and the same have been paid/adjusted against available refunds.		

Such issues mainly include disallowances of mark-up payable, taxation of mutual fund distribution at corporate tax rate, disallowance of provision against non-performing loans, disallowance of reversal of provisions, allocation of expenses against dividend income and capital gain, disallowances against non-banking assets etc. The Bank has filed appeals before the various appellate forums against these amended assessment orders which are either pending for hearing or order.

The management of the Bank is confident about the favourable outcome of the appeals hence, no provision / adjustment with respect to the above matters has been made in these consolidated financial statements.

		(Un-audited)	
		Half year ended	
		June 30, 2020	June 30, 2019
		(Rupees in '000)	
32. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		(3,252,004)	(4,396,592)
		----- (Number of shares) -----	
Weighted average number of ordinary shares		2,638,151,060	2,638,151,060
		----- (Rupees) -----	
Basic loss per share		(1.23)	(1.67)
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	32.1	2,638,151,060	2,638,151,060
		----- (Rupees) -----	
Diluted loss per share		(1.23)	(1.67)

32.1 There are no potential ordinary shares outstanding as of June 30, 2020.

		(Un-audited)	
		Half year ended	
		June 30, 2020	June 30, 2019
		(Rupees in '000)	
33. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		7,081,985	7,217,462
Balances with other banks		1,026,614	942,342
Overdrawn nostro accounts		(22,415)	(281,246)
		8,086,184	7,878,558

34. FAIRVALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

34.1 Fair value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

June 30, 2020 (Un-audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	31,963,447	-	31,963,447	31,963,447
Shares - Listed	1,574,759	-	-	1,574,759
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	65,483	65,483
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,281,851	7,281,851
Non banking assets acquired in satisfaction of claims	-	-	2,902,809	2,902,809
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,438,522	-	5,438,522
Forward sale of foreign exchange	-	648,966	-	648,966

December 31, 2019 (Audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	19,636,066	-	19,636,066
Shares - Listed	1,850,989	-	-	1,850,989
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	65,483	65,483
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,400,018	7,400,018
Non banking assets acquired in satisfaction of claims	-	-	2,924,873	2,924,873
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	4,800,861	-	4,800,861
Forward sale of foreign exchange	-	690,545	-	690,545

Valuation techniques used in determination of fair value

Item	Valuation approach and input used
Federal Government Securities	The fair values of Federal Government securities are determined using the PKRV rates. The fair values of GoP Ijarah Sukuk are determined using the PKISRV rates.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Forward foreign exchange contracts	The valuation has been incorporated by interpolating the foreign exchange revaluation rates announced by the SBP.
Operating fixed assets (land and building) and non-banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

35. SEGMENT INFORMATION

35.1 Segment Details with respect to business activities

For the half year ended June 30, 2020 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
(Rupees in '000)						

Profit and loss

Net mark-up / return / profit	(295)	466,320	(1,305,059)	(266,346)	3,563	-	(1,101,817)
Inter segment revenue - net	-	(808,142)	-	808,142	-	-	-
Non mark-up / return / interest income	9,750	840,127	206,711	(18,713)	34,765	-	1,072,640
Total Income	9,455	498,305	(1,098,348)	523,083	38,328	-	(29,177)

Segment direct expenses	1,016	127,721	2,224,028	138,748	53,560	21,874	2,566,947
Inter segment expense allocation	-	-	(223,981)	223,981	-	-	-
Total expenses	1,016	127,721	2,000,047	362,729	53,560	21,874	2,566,947

Provisions / (reversals)	-	233,179	1,758,014	(10,192)	-	-	1,981,001
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Profit / (loss) before tax	8,439	137,405	(4,856,409)	170,546	(15,232)	(21,874)	(4,577,125)
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As at June 30, 2020 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
(Rupees in '000)						

Balance Sheet

Cash and bank balances	-	1,782,344	4,891,439	1,295,483	139,333	-	8,108,599
Investments	-	31,580,516	43,604	1,943,650	27,514	-	33,595,284
Net inter segment lending	-	350,000	-	13,843,293	-	-	14,193,293
Lendings to financial institutions	-	1,950,000	-	-	-	-	1,950,000
Advances - performing	-	-	22,865,172	3,706,326	442	-	26,571,940
Advances - non-performing	-	-	10,428,851	110,305	-	-	10,539,156
Others	39,796	3,829,999	17,143,956	677,068	202,279	11,759,458	33,652,556
Total assets	39,796	39,492,859	55,373,022	21,576,125	369,568	11,759,458	128,610,828

Borrowings	61	6,846,449	7,092,868	250,000	-	-	14,189,378
Subordinated debt	4,063	440,405	1,051,047	-	-	-	1,495,515
Deposits and other accounts	-	6	81,908,555	17,236,117	-	-	99,144,678
Net inter segment borrowing	-	13,843,293	-	350,000	-	-	14,193,293
Others	3,397	376,605	5,085,438	2,063,338	137,817	438,544	8,105,139
Total liabilities	7,521	21,506,758	95,137,908	19,899,455	137,817	438,544	137,128,003

Equity	32,275	17,986,101	(39,764,886)	1,676,670	231,751	11,320,914	(8,517,175)
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Total equity and liabilities	39,796	39,492,859	55,373,022	21,576,125	-	11,759,458	128,610,828
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Contingencies and commitments	-	12,212,926	17,532,605	3,941,864	-	16,712,223	50,399,618
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Profit and loss

Net mark-up / return / profit	(196)	(118,746)	(114,847)	25,636	3,557	-	(204,596)
Inter segment revenue - net	-	(542,237)	-	542,237	-	-	-
Non mark-up / return / interest income	7,157	368,045	410,734	(105,539)	26,639	-	707,036
Total Income	6,961	(292,938)	295,887	462,334	30,196	-	502,440
Segment direct expenses	1,150	167,448	2,278,183	149,969	47,366	21,955	2,666,071
Inter segment expense allocation	-	-	(189,404)	189,404	-	-	-
Total expenses	1,150	167,448	2,088,779	339,373	47,366	21,955	2,666,071
Provisions	-	608,477	3,527,249	286,424	-	-	4,422,150
Profit / (loss) before tax	5,811	(1,068,863)	(5,320,141)	(163,463)	(17,170)	(21,955)	(6,585,781)

Balance Sheet

Cash and bank balances	-	1,870,617	4,130,983	462,275	97,258	-	6,561,133
Investments	-	20,120,181	1,557,319	-	31,650	-	21,709,150
Net inter segment lending	-	-	-	14,001,113	-	-	14,001,113
Lendings to financial institutions	-	791,272	-	200,000	-	-	991,272
Advances - performing	-	-	27,548,061	3,755,854	626	-	31,304,541
Advances - non-performing	-	-	11,863,059	735,351	-	-	11,938,410
Others	36,596	4,068,744	16,416,347	735,424	218,051	11,828,177	33,303,339
Total assets	36,596	26,850,814	61,515,769	19,230,017	347,585	11,828,177	119,808,958
Borrowings	465	5,491,088	7,763,227	250,000	-	-	13,504,780
Subordinated debt	4,063	440,405	1,051,047	-	-	-	1,495,515
Deposits & other accounts	-	-	73,026,340	15,448,224	-	-	88,474,564
Net inter segment borrowing	-	14,001,113	-	-	-	-	14,001,113
Others	2,651	319,515	5,156,226	1,989,042	93,019	438,415	7,998,868
Total liabilities	7,179	20,252,121	86,996,840	17,687,266	93,019	438,415	125,474,840
Equity	29,417	6,598,693	(25,481,071)	1,542,751	254,566	11,389,762	(5,665,882)
Total Equity & liabilities	36,596	26,850,814	61,515,769	19,230,017	347,585	11,828,177	119,808,958
Contingencies and Commitments	-	10,736,460	28,182,452	5,140,291	-	11,804,740	55,863,943

35.1.1 The Group does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, employee benefit plans and its directors and Key Management Personnel.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
Balances with other banks								
In current accounts	-	-	-	-	-	-	-	26,457
Investments								
Opening balance	-	-	-	1,692,490	-	-	-	1,713,990
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	(21,500)	-	-	-	(21,500)
Closing balance	-	-	-	1,670,990	-	-	-	1,692,490
Provision for diminution in value of investments	-	-	-	1,613,242	-	-	-	1,613,242
Advances								
Opening balance	-	-	265,793	660,792	-	-	259,303	932,302
Addition during the period / year	-	-	16,215	-	-	-	36,601	2,139,568
Repaid during the period / year	-	-	(29,438)	(15,797)	-	-	(18,393)	(2,214,009)
Transfer in / (out) - net	-	-	52,282	1,312	-	-	(11,718)	(197,069)
Closing balance	-	-	304,852	646,307	-	-	265,793	660,792
Provision held against advances	-	-	-	-	-	-	-	-

	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
Other Assets								
Interest / mark-up accrued	-	-	-	18,378	-	-	-	11,320
Other receivable	699	-	2,361	-	699	-	375	-
Provision against other assets	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	-	-	20,042	1,512,961	-	18,463	13,421	1,769,716
Received during the period / year	-	-	121,121	453,359	-	-	224,304	852,565
Withdrawn during the period / year	-	-	(124,918)	(974,546)	-	-	(217,761)	(848,128)
Transfer in / (out) - net	-	-	(6,699)	2	-	(18,463)	78	(261,192)
Closing balance	-	-	9,546	991,776	-	-	20,042	1,512,961
Other Liabilities								
Interest / mark-up payable	-	-	145	5,715	-	-	245	16,293
Payable to staff retirement fund	-	-	-	8,194	-	-	-	134,673
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	196,500	-	-	-	86,500
Commitments to extend credit	-	-	-	10,688	-	-	-	9,915

	For the half year ended June 30, 2020 (Un-audited)				For the half year ended June 30, 2019 (Un-audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
Income								
Mark-up / return / interest earned	-	-	6,396	42,915	-	-	4,780	40,513
Fee and commission income	-	-	6	-	-	-	11	-
Loss on securities	-	-	11	-	-	-	8	-
Expense								
Mark-up / return / interest paid	-	-	508	63,972	-	808	372	78,157
Operating expenses:								
- Directors' fees and allowances	-	800	-	-	-	550	-	-
- Fee and subscription	-	-	446	-	-	-	1,104	-
- Managerial remuneration	-	-	91,550	-	-	-	87,446	-
- Contribution to defined contribution plan	-	-	-	33,443	-	-	-	27,902
- Charge for defined benefit plan	-	-	-	24,226	-	-	-	29,653
Provision for diminution in value of Investments	-	-	-	-	-	-	-	73,416

Directors include Non-Executive Directors only. Executive Directors including the President / CEO are part of key management personnel.

**37. CAPITAL ADEQUACY, LEVERAGE RATIO
& LIQUIDITY REQUIREMENTS**

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

(Un-audited) (Audited)
June 30, December 31,
2020 2019
----- (Rupees in '000) -----

(12,560,349) (9,365,737)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital

(25,890,241) (21,424,406)

Eligible Additional Tier I (ADT I) Capital

- -

Total Eligible Tier I Capital

(25,890,241) (21,424,406)

Eligible Tier 2 Capital

- -

Total Eligible Capital (Tier I + Tier 2)

(25,890,241) (21,424,406)

Risk Weighted Assets (RWAs):

Credit Risk

62,086,293 70,219,585

Market Risk

6,637,650 6,972,343

Operational Risk

8,486,235 5,755,700

Total

77,210,178 82,947,628

Common Equity Tier I Capital Adequacy ratio

-33.53% -25.83%

Tier I Capital Adequacy Ratio

-33.53% -25.83%

Total Capital Adequacy Ratio

-33.53% -25.83%

Leverage Ratio (LR):

Eligible Tier-I Capital

(25,890,241) (21,424,406)

Total Exposures

126,960,924 138,078,420

Leverage Ratio

-20.39% -15.52%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

25,913,237 14,935,767

Total Net Cash Outflow

16,812,717 17,180,961

Liquidity Coverage Ratio

154.13% 86.93%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

73,058,223 66,795,162

Total Required Stable Funding

62,688,490 66,682,561

Net Stable Funding Ratio

116.54% 100.17%

38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2019: 14) Islamic banking branches and 35 (December 31, 2019: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		1,251,368	451,368
Balances with other banks		44,115	10,907
Due from financial institutions	38.1	13,843,293	14,201,113
Investments	38.2	1,943,650	-
Islamic financing and related assets - net	38.3	3,816,631	3,831,205
Fixed assets		292,268	320,842
Intangible assets		3,526	4,638
Due from Head Office		-	-
Deferred tax assets		19,723	-
Other assets		361,551	409,944
Total Assets		21,576,125	19,230,017
LIABILITIES			
Bills payable		599,291	194,231
Due to financial institutions	38.4	600,000	250,000
Deposits and other accounts	38.5	17,236,117	15,448,224
Due to Head Office		-	-
Subordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities		1,464,047	1,794,811
		19,899,455	17,687,266
NET ASSETS			
		1,676,670	1,542,751
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Deficit on revaluation of assets		(36,627)	-
Unappropriated / unremitted profit	38.6	713,297	542,751
		1,676,670	1,542,751
CONTINGENCIES AND COMMITMENTS			
	38.7		

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020**

		June 30, 2020	June 30, 2019
Note		----- (Rupees in '000) -----	
Profit / return earned	38.8	1,052,634	931,468
Profit / return expensed	38.9	510,838	363,595
Net Profit / return		541,796	567,873
Other income			
Fee and Commission Income		22,353	24,916
Dividend Income		-	-
Foreign Exchange loss		(40,162)	(132,359)
Income / (loss) from derivatives		-	-
Loss on sale of securities		(7,704)	(3,090)
Other Income		6,800	4,994
Total other income		(18,713)	(105,539)
Total Income		523,083	462,334
Other expenses			
Operating expenses		362,346	339,126
Workers Welfare Fund		-	-
Other charges		383	247
Total other expenses		362,729	339,373
Profit before provisions		160,354	122,961
(Reversal) / provision and write offs - net		(10,192)	286,424
Profit / (loss) before taxation		170,546	(163,463)
Taxation		-	-
Profit / (loss) profit after taxation		170,546	(163,463)

June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Note ----- (Rupees in '000) -----					

38.1 Due from Financial Institutions

Unsecured

Bai Muajjal Receivable from other

Financial Institutions

Musharakah

38.1.1	13,843,293	-	13,843,293	14,001,113	-	14,001,113
38.1.2	-	-	-	200,000	-	200,000
	13,843,293	-	13,843,293	14,201,113	-	14,201,113

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited.

38.1.2 This represented Musharakah lending to a financial institution at mark-up rate of 9.00% per annum and matured on January 2020.

38.2 Investments by segments:

Federal Government Securities:

- GOP Ijarah Sukuks

Total Investments

June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
----- (Rupees in '000) -----							
2,000,000	-	(56,350)	1,943,650	-	-	-	-
2,000,000	-	(56,350)	1,943,650	-	-	-	-

38.3 Islamic financing and related assets

Ijarah

Murabaha

Running Musharakah

Diminishing Musharakah

Tijarah

Advance against Murabaha

Advance against Diminishing Musharakah

Qarz-e-Hasna

Gross Islamic financing and related assets

Less: provision against Islamic financings

- Specific

- General

Islamic financing and related assets - net of provision

(Un-audited) (Audited)
June 30, December 31,
2020 2019
Note ----- (Rupees in '000) -----

519,877	636,161
10,183	8,945
785,888	698,301
2,536,164	2,516,321
699,998	717,068
-	-
-	-
-	80
4,552,110	4,576,876
(728,242)	(734,190)
(7,237)	(11,481)
(735,479)	(745,671)
3,816,631	3,831,205

38.4 Due to financial institutions

Secured

Acceptances from the SBP under Islamic Export Refinance Scheme

Unsecured

Musharakah

250,000	250,000
38.4.1	350,000
600,000	250,000

38.4.1 This represents Musharaka acceptance with conventional operations of Summit Bank Limited.

38.5 Deposits

June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)					
Customers					
Current deposits					
Savings deposits					
Term deposits					
Margin accounts					
16,390,178	626,886	17,017,064	14,425,133	867,603	15,292,736
Financial Institutions					
Current deposits					
Savings deposits					
Term deposits					
79,981	128	80,109	77,812	121	77,933
138,944	-	138,944	77,555	-	77,555
-	-	-	-	-	-
218,925	128	219,053	155,367	121	155,488
16,609,103	627,014	17,236,117	14,580,500	867,724	15,448,224

38.5.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 9,709.120 million (December 31, 2019: Rs. 9,033.794 million).

38.6 Islamic Banking Business Unappropriated Profit

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Opening Balance	542,751	625,195
Add / (less) : Islamic Banking profit / (loss) for the period / year	170,546	(82,444)
Closing Balance	713,297	542,751

38.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	3,160,889	3,962,232
-Commitments	780,975	1,178,059
-Other contingent liabilities	-	-
	3,941,864	5,140,291

38.8 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited) June 30, 2020	June 30, 2019
Profit earned on:		
Financing	211,617	382,543
Investments	21,906	-
Placements	819,016	548,642
Balances with banks	95	283
	1,052,634	931,468

38.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	484,499	339,624
Due to Financial Institutions	11,845	8,302
Finance cost of lease liability	14,494	15,669
	510,838	363,595

39. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on November 19, 2021 by the Board of Directors of the Group.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

BRANCH NETWORK

CONVENTIONAL BANKING BRANCHES

KARACHI

Abdullah Haroon Road Branch

282/3, Abdullah Haroon Road, Area, Saddar, Karachi
Tel: 021-35685269, 35685393, 35685940
Fax: 021-35683991

Adamjee Nagar Branch

115-A/Z, Block 7/8, Tipu Sultan Road, Karachi
Tel: 021- 34312984-9
Fax: 021-34312980

Atrium Mall Branch

Shop No. 6 and 21 Ground floor, Plot No. 249, Atrium Mall, Staff Lines, Zaibunnisa Street, Saddar, Karachi
Tel: 021-35641001-7
Fax: 021-35641008

Badar Commercial Branch

Plot No. 41-C, Badar Commercial, Street No. 10, Phase-V Extension, DHA Karachi
Tel: 021-35348501-3
Fax: 021-35348504

Bahadur Shah Center Branch

Bahadur Shah Center, Urdu Bazar,
Off: M.A. Jinnah Road, Karachi
Tel: 021-32768547, 32768559
Fax: 021-32765083

Bahadurabad Branch

Plot # C-23, Shop # 1&2 Block-3, BMC Commercial Area
Bahadurabad, Karachi
Tel: 021-34913447 & 49
Fax: 021-34913453

Barkat-e-Hyderi Branch

Almas Square, Block-G, North Nazimabad, Karachi
Tel: 021-36628931, 36706896-7
Fax: 021-36723165

Burns Road Branch

Plot No. 55-A, Survey Sheet A.M., Artillery Maidan Quarters (Burns Road), Karachi.
Tel: 021-32215174, 75 & 76
Fax: 021-32215289

Clifton Branch

Pearl Heaven Apartments, Khayaban-e-Roomi, Block No-5, Clifton, Karachi
Tel: 021-35823469, 35824171, 35823619
Fax: 021-35821463

Cloth Market Branch

41, Saleh Muhammad Street, Cloth Market, Karachi
Tel: 021-32461601-03 & 32461605
Fax: 021-32461608

Com-3, Clifton Branch, Karachi

Show Room No. 12, ""Com-3"", (Opp: Bar B. Q. Tonight), Block 6, Clifton, Karachi.
Tel: 021 - 35148311 - 13
Fax: 021 - 35148314

Defence Branch

55-C, Phase-II, D.H.A, Opp Toyota Motors, Main Korangi Road, Karachi.
Tel: 021-35387809-35396263 - 35312592
Fax: 021-35387810

DHA Phase I Branch

101-C, Commercial Area 'B', Phase-I DHA, Karachi
Tel: 021- 35314061, 35314063-67, 35314105
Fax: 021-35314070

DHA Phase IV Branch

Plot # 129, 9th Commercial Street, Phase IV, DHA, Karachi
Tel: 021-35313068-70
Fax: 021-35313071

Dhoraji Colony Branch

Plot No. 133, Block No. 7 & 8 Dhoraji Colony, C.P & Berar Co-operative Housing Society, Karachi
Tel: 021-34860773-75
Fax: 021-34860772

Ex. Dolmen City Branch

temporary shifted to:
Plot No. G-2, Block 2, (Ground Floor), Clifton, Karachi
Tel: 021-3572020-22
Fax: 021-3572023

Electronic Market (Abdullah Haroon Road) Branch

Shop No 1 & 2, Plot # 19, Ghafoor Chambers, Preedy Quarters, Saddar, Karachi
Tel: 021-32711614-8
Fax: 021-32716113

Fish Harbour Branch

K - 3, Export Zone, Adjacent Main Auction Hall, Fish Harbour, Karachi
PABX: 021-32315383 - 85
Fax: 021-32315386

Garden East Branch

Shop No. 1,2,3,4, 5 & 6, Jumani Centre Plot No. 177-B, Garden East, Karachi
Tel: 021-32243311-13
Fax: 021-32243314

Gulistan-e-Jauhar - Branch 1

Plot # 118/A-B, Shop # 02, 03, 04 Ground Floor Ruffi Paradise Block-18 Gulistan-e-Jauhar, Karachi
Tel: 021-34621281-4
Fax: 021-34621285

Gulistan-e-Jauhar - Branch 2

Shop No. 5, 6, 7 & Office No. D-2, Farhan Centre Block No. 1. Gulistan-e-Jauhar, Karachi
Tel: 021-34022259, 34613674, 34016488-9
Fax: 021-34022639

Gulshan-e-Iqbal - Branch 1

Ground Floor, Hasan Center, Block-16, Main University Road, Karachi
Tel: 021-34829024-27
Fax: 021-34829023

Gulshan-e-Iqbal - Branch 2

B-44, Block 13/A, Main University Road, Gulshan-e-Iqbal, Karachi
Tel: 021-34987688, 34987739-40
Fax: 021-34987689

Hyderi Branch

D-10 Block-F, North Nazimabad, Hyderi, Karachi.
Tel: 021-36724991-4
Fax: 021-36724972

I. I. Chundrigar Road Branch 1 - Unitower Branch

Uni Towers, I.I. Chundrigar Road, Karachi.
Tel: 021-32466410-13
Fax: 021-32466500

Jami Commercial, DHA Branch

64 C, Jami Commercial Phase VII, 7th Street, DHA, Karachi
Tel: 021-35316200-07
Fax: 021-35316199

Jamshed Quarters Branch

Showroom no. 3 & 4, AB Arcade Plot # 714-6-I Block A, New M.A. Jinnah Road, Karachi
Tel: 021-34860422-23, 34860425
Fax: 021-34860424

Jodia Bazar - Branch 1

A/25/28 Daryalal Street, Jodia Bazar, Karachi
Tel: 021-32500121-5
Fax: 021-32500128

Karachi Stock Exchange Branch

Office No. 52, 52-A, 52-B, (1st Floor) KSE Building, Karachi
Tel: 021-32462850, 32462844-9
Fax: 021-32462843

Karimabad Branch

Plot No BS-16, Block 1, FB Area, Karimabad, Karachi
Tel: 021- 36826646-48
Fax: 021-36826649

Khayaban-e-Shahbaz Branch

Plot No. 21-C Khayaban-e-Shahbaz, Phase VI, DHA, Karachi
Tel: 021-35344952, 353444957 & 35344963
Fax: 021-35344942

Khayaban-e-Tanzeem Branch

C 4-C, Tauheed Commercial, Khayaban-e-Tanzeem, Phase-5, DHA, Karachi
Tel: 021-35869147-35810977 & 35871640
Fax: 021-35869342

Korangi Industrial Area Branch

33/1, Sector-15, Korangi Industrial Area, Karachi
Tel: 021-35114290, 35121294, 35122231-32
Fax: 021-35114282

Malir Cantt Branch

Army Shopping Complex, Adjacent Tooba Army Store Malir Cantonment, Karachi
Tel: 021-34196142-44
Fax: 021-34196145

M. A. Jinnah Road Branch

Mezzanine & Ground Floor, Plot Survey # 19, Street # R.B.6. Shop # 3, 4, Ram Bagh Quarters 166 M.A. Jinnah Road, Karachi
Tel: 021- 32218395, 32218409, 32218428
Fax: 021-32218376

Muhammad Ali Society Branch

Plot # 4-C Commercial Area, Muhammad Ali Co-Operative Housing Society, Karachi
Tel: 021-34168036-37
Fax: 021-34186045

Nazimabad (Gol Market) Branch

Plot # 7, Sub Block 'E', in Block # III (III-E-7), Nazimabad (Gole Market), Karachi
Tel: 021-36620261-63 & 36620267
Fax: 021-36620264

New Challi Branch

Plot No. 27, Survey No. 27, (New Challi), Altaf Hussain Road, Karachi.
Tel: 021 - 32423999 - 32423737
Fax: 021 - 32422051

North Karachi Industrial Area Branch

Plot No. R-14, Gabol Town, North Karachi
Industrial Area, Karachi
Tel: 021-32015919, 36995925 & 36963445
Fax: 021-36975919

PAF-Base Faisal Branch

Camp-2, Faisal Arcade, PF-I, Market
PAF-Base Faisal, Karachi
PABX: 021-34601360-62
Fax: 021-34601363

Paper Market Branch

Al-Abbas Centre, Paper Market, Shahrah-e-Liaquat,
Karachi
Tel: 021-32639671-2 & 32634135
Fax: 021-32639670

Plaza Quarters Branch

Al-Shafi Building Noman Street,
Off: M.A. Jinnah Road, Karachi
Tel: 021-32771515-16-18
Fax: 021-32771517

Ranchore Line Branch

R.C. 11, Old Survey # E-7/143, Ranchore Line, New
Lakhpati Hotel, Karachi
Tel: 021-32767234-36
Fax: 021-32767460

Rizvia Society Branch

B-12, Rizvia Cooperative Society, Nazimabad, Karachi
Tel: 021-36600956-57
Fax: 021-36600958

Sea View, Clifton Branch, Karachi

Plot No. G - 2, Block 2, (Ground Floor), Clifton, Karachi.
Tel: 021 - 3572020 -22
Fax: 021 - 3572023

S.I.T.E. Branch

B/9-B/3, Near Metro Chowrangi, S.I.T.E., Area, Karachi
Tel: 021-32586801-4, 32587166-8
Fax: 021-32586806

Saeedabad Branch

Plot # 1004/I & 1004-A/I (5G/102-A & 5G/012-A/2),
Saeedabad, Baldia, Mahajir Camp, Karachi
Tel: 021-32815092-94
Fax: 021-32815095

Shahrah-e-Faisal Branch

Business Avenue Block-6, P.E.C.H.S., Karachi
Tel: 021-34386417-18 & 34374476
Fax: 021-34531819

Shershah Branch

Plot # D-175, Industrial Trading Estate Area, Trans Lyari
Qtrrs, Shershah, Karachi
Tel: 021-32588191-93
Fax: 021-32588195

Soldier Bazar Branch

Shop # 4, 5 & 6, Plot No 14, Survey # 13-B-2, Soldier Bazar
Quarters, Karachi
Tel: 021-32231559-60
Fax: 021-32231556

Steel Market Branch

Ground Floor, Shop # G-13, 14, 32, 33 Steel Market,
Ranchore lines Quarters, Karachi
Tel: 021-32763001- 07
Fax: 021-32763009

Tariq Road Branch

C-51, Central Commercial Area, Near Pizza Max Tariq Road,
P.E.C.H.S., Karachi
Tel: 021-34556486, 34556682
Fax: 021-34555478

Timber Market Branch

Siddique Wahab Road, Karachi
Tel: 021-32732729, 32766995
Fax: 021-32733214

Water Pump Branch

Lateef Square, Block-16, Federal 'B' Area, Main
Water Pump Market, Karachi
Tel: 021-36321387, 36314817
Fax: 021-36314848

LAHORE

Allama Iqbal Town Branch

56/12, Karim Block, Allama Iqbal Town, Lahore
Tel: 042-35434160-61, 35434163
Fax: 042-35434164

Azam Cloth Market Branch

285-286, Punjab Block, Azam Cloth Market, Lahore
Tel: 042-37661686,
37660341 & 37660298
Fax: 042-37661863

Badami Bagh Branch

25 - Peco Road Badami Bagh Lahore
Tel: 042-37724583, 37720382, 37705036
Fax: 042-37730867

Bahria Town Branch

Plot No. 31 - B, Sector 'C', Bahria Town, Lahore
Tel: 042 - 37862380 - 82
Fax: 042-37862379

Bedian Road Branch

Plot No. 2512/I, Phase-VI, Bedian Road,
Tala Medical Center, Lahore
Tel: 042-37165300-03
Fax: 042-37165304

Circular Road Branch

Babar Centre, 51, Circular Road, Lahore
Tel: 042-37379371 - 75
Fax: 042-37379370

Darogawala Branch

Near Shalimar garden G.T.Road Darogawala Lahore
Tel: 042-36520681-83
Fax: 042-36520684

DHA G Block Branch

Plot # 13 G, Commercial Zone DHA,
Phase-I, Lahore Cantt.
Tel: 042-35691173-78
Fax: 042-35691171

DHA Phase - VI Branch

Property No 16-MB , Block MB, Phase VI DHA Lahore
Tel: 042 -37189650 -52
Fax: 042-37189653

DHA Y Block Branch

163, Block Y, Phase III, DHA Lahore Cantt
Tel: 042-35692531-36
Fax: 042-35692690

Egerton Road Branch

27-Ajmal House, Egerton Road, Lahore
Tel: 042-36364522, 36364532
Fax: 042-36364542

Empress Road Branch

Plot #. 29, Empress Road, Lahore
Tel: 042-36300670-3
Fax: 042-36310362

Faisal Town Branch

853/D, Akbar Chowk, Faisal Town, Lahore
Tel: 042-35204101-3
Fax: 042-35204104

Ferozpur Road Branch

Siza Farmer Factory, Sufiabad, Lahore
Tel: 042- 35401751-3, 35401754
Fax: 042-35800094

Gulberg Branch

132-E/I Main Boulevard, Gulberg-III, Lahore
Tel: 042-35870832-3, 35870975-6
Fax: 042-35870834

Ichra More Branch

House # 146, Muhallah Ferozpur Road, Ichra More, Lahore
Tel: 042-37572090-93 - 042-37426301
Fax: 042-37572089

Johar Town Branch

Plot # 85, Block G/I, M.A Johar Town-Lahore
Tel: 042-35291172-74
Fax: 042-35171047

Kashmir Block, Allama Iqbal Town Branch

Plot # 1, Kashmir Block, Allama Iqbal Town
Scheme, Lahore
Tel: 042-37809021-24
Fax: 042-37809026

Lahore - Cantt Branch

Day building 1482/A, Abdul Rehman Road, Lahore Cantt
Tel: 042- 36603061-63
Fax: 042-36603065

Lahore Stock Exchange Branch

Office No. 1, Lower Ground floor # 1, Lahore Stock
Exchange Plaza, Plot No. 19, Khasra No. 1047, 19,
Khayaban e Aiwan e Iqbal, Lahore
Tel: 042-36280853 - 56
Fax: 042-36280851

Liberty Market Branch

Shop No.02 & 03, Ground floor, Diamond Tower,
28 Commercial Zone, Liberty Market, Gulberg III,
Lahore
Tel: 042- 35717273, 35763308
Fax: 042-35763310

Mall Road Branch

56, Ground Floor, Sh-e-Quaid-e-Azam (The Mall), Lahore
Tel: 042-36284801-3
Fax: 042-36284805

Model Town Branch

14-15, Central Commercial Market, Model Town, Lahore
Tel: 042-35915540-4
2 & 35915548
Fax: 042-35915549

New Garden Town Branch

19-A, Ali Block, New Garden Town, Lahore
Tel: 042-35911361-4
Fax: 042-35911365

Shah Alam Gate Branch

12-A, Shah Alam Gate, Lahore
Tel: 042-37666854 - 57
Fax: 042-37663488

Urdu Bazar Branch

S - 38-R, Urdu Bazar Chowk - 205, Circular Road, Lahore
Tel: 042-37116001-3
Fax: 042-37116004
Wahdat Road Branch
Mauza Ichra, Wahdat Road, Lahore
Tel: 042-37503001-3
Fax: 042-37503004

Z Block DHA Branch

323-Z, DHA, Phase-3, Lahore
Tel: 042-35693112-5
Fax: 042-35693117

ISLAMABAD

Bahria Town Branch

Plot # 3-4, Express Way, Sufiyan Plaza,
Phase VII, Bahria Town, Islamabad
Tel: 051- 5707360 – 63-65
Fax: 051-5707358

Barah Koh Branch

Murree Road, Tehsil / District,
Islamabad
Tel: 051- 2321712- 13
Fax: 051-2321714

Blue Area Branch

20 - Al- Asghar Plaza, Blue Area,
Islamabad
Tel: 051-2823204, 2872913
Fax: 051-2274276

F-10 Markaz Branch

Plot No. 08, Maroof Hospital, F-10
Markaz, Islamabad
Tel: 051-2222860-62
Fax: 051-2222863

F-11 Markaz Branch

Plot # 29, Select Center, F-11
Markaz, Islamabad
Tel: 051-2228027-28
Fax: 051-2228365

G-11 Markaz Branch

Shop #. 25-34, Plot # 23, Sajid Sharif
plaza, G-11 Markaz, Islamabad
Tel: 051-2220973-6
Fax: 051-2220977

I-9 Markaz Branch

Plot # 3/L, Shops Nos. 6, 7, 13, & 14, I-9,
Markaz, Islamabad
Tel: 051-4449832-35
Fax: 051-4449836

Stock Exchange Branch

Plot # 109, East F-7/G-7, Jinnah Avenue,
Blue Area, Islamabad
Tel: 051-2806281-83
Fax: 051-2806284

Super Market Branch

Shop No. 9, Block - C, F-6 Markaz, Islamabad.
Tel: 051-2279168-170 & 051-2824533-34
Fax: 051-2279166

RAWALPINDI

Raja Bazar Branch

Raja Bazar, Rawalpindi
Tel: 051-5553504, 5557244 & 5777707 - 5534173-5557244
Fax: 051-5559544

Shamsabad Murree Road Branch

DD/29, Shamsabad Murree Road, Ojri Kalan, Rawalpindi
Tel: 051-4854400, 4854401-03
Fax: 051-4854404

The Mall Road Branch, Rawalpindi

Shop No. 31-A/4, The Mall Road,
Opp: State Life Bldg., Saddar,
Rawalpindi Cantt.
Tel: 051-5564123, 051-5120777-80
Fax: 051-5528148

FAISALABAD

Jail Road Branch

House No. P-62, opposite Punjab Medical College,
Jail Road, Faisalabad
Tel: 041-8813541-43
Fax: 041-8813544

Kotwali Road Branch

P-12, Kotwali Road, Faisalabad
Tel: 041-2412151-53
Fax: 041-2412154

Liaquat Road Branch

Liaquat Road, Chak # 212, Faisalabad
Tel: 041-2541257-59
Fax: 041-2541255

Satiana Road Branch

679-DGM, Batala Colony, Satiana Road, Faisalabad
Tel: 041 - 8500569 - 71
Fax: 041 - 8500568

Susan Road Branch

Chak No. 213/RB Susan Road, Faisalabad
Tel: 041-8502367-69
Fax: 041-8502371

MULTAN

Abdali Road Branch

Plot No. 66-A & 66-B/9, Abdali Road, Multan
Tel: 061-4588171, 4588172 & 4588175-78
Fax: 061-4516762

Hussain Agahi Road Branch

2576, Hussain Agahi Road, Multan
Tel: 061-4548083, 4583268, 4583168 & 4584815
Fax: 061-4543794

Qadafi Chowk Branch

Plot # 43, Block T, New Multan Road, Qadafi Chowk-Multan
Tel: 061-6770882-84
Fax: 061-6770889

Vehari Road Branch

Plot # 2227-A, Chowk Shah Abbas, Vehari Road, Multan
Tel: 061-6241015-17
Fax: 061-6241014

SUKKUR

Marich Bazar Branch

B – 885, Marich Bazar, Sukkur
Tel: 071-5627781-2
Fax: 071-5627755

Shikarpur Road Branch

Shop # D-195, Ward D, Near A Section Police Station
Shikarpur Road, Sukkur
Tel: 071-5617142-44
Fax: 071-5617145

Workshop Road Branch

City Survey # 3403/2/I and C.S # 3403/2M/6,
Ward-B Tooba Tower Workshop Road, Sukkur
Tel: 071-5616663, 5616664, 5616582
Fax: 071-5616584

GUJRANWALA

GT Road Branch

B/11-S7/103, G. T. Road, Gujranwala
Tel: 055-3842751-3842729
Fax: 055-3842890

Gujranwala Branch

G.T. Rd., Opp. General Bus Stand, Gujranwala
Tel: 055-3820401-3
Fax: 055-3820404

Wapda Town Branch

Plot # B - III, MM - 53, Hamza Centre,
Wapda Town, Gujranwala
Tel: 055-4800204-06
Fax: 055-4800203

GUJRAT

GT Road Branch

Small Estate, G. T. Road, Gujrat
Tel: 053-3534208, 3533949 & 3534208
Fax: 053-3533934

Gujrat Branch

Main GT Road Tehsil & Distt., Gujrat
Tel: 053-3517051-54
Fax: 053-3516756

Katchery Chowk Branch

Shop #. 1263 & 1270 B-II, Katchery Chowk,
Opp. Zahoor Elahi
Satadium, Near New Narala Bakers, Gujrat
Tel: 053-3601021-24
Fax: 053-3601025

PESHAWAR

Deans Trade Center Branch

Deans Trade Centre, Islamabad Road, Peshawar
Tel: 091-5253081 -3 & 5
Fax: 091-5253080

Fruit Market Branch

Near Fruit Market, G.T. Road, Peshawar
Tel: 091-2260373-4
Fax: 091-2260375

Hayatabad Branch

Shop# 1, Hayatabad Mall, Baghee-Naran Road,
Phase II, Sector J-I Hayatabad Peshawar.
Tel: 091-5822923-25
Fax: 091-5822926

Main University Road Branch

Tehkal Payan, Main University Road-Peshawar
Tel: 091-5850540-41 & 5850548-9
Fax: 091-5850546

Milad Chowk Branch

Milad Chowk, New Gate, Peshawar City
Tel: 091-2550477, 2550466, 2217131
Fax: 091-2550488

QUETTA

Fatima Jinnah Road Branch

Plot No. Khasra No.134 & 138, Ward No. 19,
Urban # 1, Fatima Jinnah Road, Quetta
Tel: 081-2301094-95
Fax: 081-2301096

Liaquat Bazar Branch

Ainuddin Street, Quetta
Tel: 081-2837300-1
Fax: 081-2837302

M. A. Jinnah Road Branch

Ground Floor, Malik Plaza, Near Adara-e-Saqafat,
M.A. Jinnah Road, Quetta.
Tel: 081-2865590-95
Fax: 081-2865587

Regal Chowk Branch

Regal Chowk, Jinnah Road, Quetta
Tel: 081-2837028-29
Fax: 081-2825065

ABBOTTABAD

Abbottabad Branch

Sitara Market, Mansehra Road, Abbottabad
Tel: 0992- 385931-34
Fax: 0992-385935

ATTOCK

Hassan Abdal Branch

Survey No. 1269/1624, Khasra No. 1935, G. T. Road,
Hassan Abdal, District Attock
Tel: 057-2520328-331 & 2520320-321
274 ANNUAL REPORT 2019

Fateh Jang Branch

Main Rawalpindi Road, Fateh
Jang Distt Attock
Tel: 057-2210321-23
Fax: 057-2210324

AZAD KASHMIR

Dadyal Branch

Choudhary Centre, Ara Jattan, Dadyal, Azad Kashmir
Tel: 05827-463475
Fax: 05827-465316

Mirpur Azad Kashmir - Branch I

NS Tower 119 F/1, Kotli Road
Mirpur, Azad Kashmir
Tel: 05827- 437193-97
Fax: 05827-437192

Mirpur Azad Kashmir Branch II

Ghazi Archade, 6-B/3, Part II, Allama Iqbal Road,
Mirpur, Azad Kashmir
Tel: 05827-446405, 446407-9
Fax: 05827-446406

Muzzafarabad Branch

Sangam Hotel, Muzzafarabad - Azad Jammu Kashmir (AJK)
Tel: 05822-924203-5
Fax: 05822-924206

Shaheed Chowk Branch

Deen Plaza, Shaheed Chowk, Kotli, Azad Kashmir
Tel: 05826-448453-54
Fax: 05826-448455

CHAK GHANIAN

Chak Ghanian Branch

Plot No. 547-548, Iqbal Mandi, G. T. Road, Sarai Alamgir.
Tel: 0544-654402-03, 655155
Fax: 0544-654401

CHAKWAL

Chakwal Branch

Al- Noor Plaza Sabzi Mandi, Talagang Road, Chakwal
Tel: 0543-554796, 540650-51
Fax: 0543-554797

Dalwal Branch

Village & Post Office Dalwal, Tehsil
Choha, Saidan Shah, Distt Chakwal
Tel: 0543-582834
Fax: 0543-582842

CHAMMAN

Chamman Branch

Khashra No. 1323 & 2324 Abdali Bazar, Dola Ram Road,
Tehsil Chaman, District Qila Abdullah, Baluchistan
Tel: 0826- 618137-39
Fax: 0826-618143

DADU

Dadu Branch

CS No. 1036/2, Ward 'B', Station Road,
Dadu, Sindh
Tel: 0254-711471-3
Fax: 0254-711474

DINA

Dina Branch

Mian G.T. Road Dina
Tel: 0544-634471 -3
Fax: 0544-636675

GAWADAR

Gawadar Branch

Plot Askani Hotel, Mullah Faazul Chowk, Gawadar
Tel: 0864-212144- 212146
Fax: 0864-212147

GHOTKI

Ghotki Branch

CS # 395 & 407, Muhallah Machhi Bazar,
Opp: Sarkari Bagh, Ghotki, Sindh
Tel: 0723-681571 - 73
Fax: 0723-681574

GILGIT

Gilgit Branch

Khasra# 1103, 1112, 1113,
Haji Ghulam Hussain Building
Raja Bazar Gilgit
Tel: 05811-457366-68
Fax: 05811-457369

GUJAR KHAN

Gujar Khan Branch

Plot # 58-D, 59-C, Sector/Block Area
Development, Scheme # I, Akbar Kayani
Plaza, G. T. Road, Gujar Khan
Tel: 051-3516431-4 & 3516436
Fax: 051-3516435

HARIPUR

Haripur Branch

Ground Floor, Akbar Arcade, Main G.T. Road, Haripur
Tel: 0995- 610832 - 34
Fax: 0995-610829

HAZRO

Hazro Branch

Plot # B -386, 386-A, Dawood Centre, Bank Square,
Ziaul Haq Road, Hazro
Tel: 057-2313283 - 85
Fax: 057-2313286

HYDERABAD

Bohri Bazar Hyderabad Branch

41/364, Saddar, Bohri Bazar-Hyderabad
Tel: 022-2730911-14
Fax: 022-2730910

Latifabad No. 7 Branch

Latifabad # 7, 5/D Unit # 7, Hyderabad
Tel: 022-3810524 & 3810525
Fax: 022-3810515

Market Chowk Branch

Shop CS # A/2772/2, Ward -A,
Market Road, Hyderabad
Tel: 022-2638451-54
Fax: 022-2638450

Qasimabad Branch

Shop No. 23, 24 & 25, Rani Arcade,
Qasimabad, Hyderabad
Tel: 022-2650742-43 & 2652204-5
Fax: 022-2650745

JACOBABAD

Jacobabad Branch

C.S. No. 480, Ward # 5, Town, Jacobabad - Sindh
Tel: 0722-650071 - 73
Fax: 0722-650074

JEHLUM

Jhelum Branch

Plot # 89, Mehfooz Plaza, Kazim Kamal Road, Jhelum Cantt.
Tel: 0544-720216 - 18
Fax: 0544-720219

KAMBAR

Shahdad Kot Branch

C.S. No. 1048, 1051, 1052, 1054, Ward 'B',
Taluqa Shahdad Kot, District Kambar, Sindh
Tel: 074-4014461-63
Fax: 074-4014464

KAMOKE

Kamoke - GT Road Branch

Madni Trade Centre, G.T Road, Kamoke
Tel: 055- 6815175-76
Fax: 055-6815184

KANDH KOT

Kandh Kot Branch

Registry # 505 & 520, Mukhi Muhallah,
Adjacent: Press Club, Kandh Kot, Sindh
Tel: 0722-572604 - 6 & 0722-675607
Fax: 0722-572607

KASUR

Kasur Branch

Near Pul Qatal Gahri, Kutchery Road, Kasur.
Tel: 049-2721993
Fax: 049-2721994

KHAIRPUR

Pacca Chang Branch

CS No. 418/1-08, Deh. Pacca Chang,
Taluqa Faiz Ganj, District Khairpur, Sindh
Tel: 0243-557403-5
Fax: 0243-557406

KOT ADDU

Kot Addu Branch

Property # 43, RH, 48/A-49-50, Ward B-III,
Kot Addu District, Muzaffar Garh
Tel: 066-2240206-07
Fax: 066-2240208

LALAMUSA

Lalamusa Branch

G. T. Road, Lalamusa
Tel: 0537 -515694, 515699, 515697, 519977
Fax: 0537-515685

LARKANA

Larkana Branch

C.S. No. 1808, Pakistan Chowk, Larkana, Sindh
Tel: 074-4053608-10
Fax: 074-4053611

MANDI BAHAUDDIN

Mandi Bahauddin Branch

Khasra # 143/112, Chak #51, Bank Road,
Off Railway Road, Ghalla Mandi, Mandi
Bahauddin
Tel: 0546-600901, 600903-4-5
Fax: 0546-600902

MANSEHRA

Mansehra Branch

Al- Hadeed Corporation Market Shahrah
Resham, Mansehra
Tel: 0997-303186, 303180
Fax: 0997-303135

MARDAN

The Mall Branch

Plot No. 337, 337-A, The Mall, Mardan.
Tel: 0937-865344-45
Fax: 0937-865342

MIRPURKHAS

Khipro Bus Stand Branch

Plot No. 92-93, Samanabad, Khipro District,
Ghumanabad Chowk, Khipro Bus Stand - Mirpurkhas
Tel: 0233-876384 & 874518
Fax: 0233-875925

Umer Kot Road Branch

Plot No : 988 to 991 Umerkot Gharibabad,
Mirpur Khas
Tel: 0233- 875113-7
Fax: 0233-875118

MURIDKE

Muridke Branch

774, G.T. Road Muridke
Tel: 042-37950456, 37994711-12
Fax: 042-37994713

NAROWAL

Katchery Road Branch

Katchery Road, Narowal
Tel: 0542-414105-7
Fax: 0542-414089

NAWABSHAH

Nawabshah Branch

Survey No. 77, Masjid Road,
Nawabshah, Sindh
Tel: 0244 - 372042 - 44
Fax: 0244-372045

JAMSHORO

Nooriabad Branch

Ground Floor, SITE Office Building Nooriabad,
Dist Jamshoro, Sindh
Tel: 025-4670433-8
Fax: 025-4670434

OKARA

Ghulam Mustafa Centre,

M.A. Jinnah Road, Okara.
Tel: 044-2528755, 2525355
Fax: 044-2525356

RABWAH

Rabwah Branch

Plot No-9-10, Block-14, Darul Sadar, Gol Bazar,
(Chenab Nagar) Rabwah
Tel: 047-6213795-97 & 6213792
Fax: 047-621 3797

RAHIM YAR KHAN

Rahim Yar Khan Branch

31/34 Shahi Road, Rahimyar Khan
Tel: 068-5877821-5883876
Fax: 068-5876776

SADIQABAD

Sadiqabad Branch

Mozzah Khuda Bux Dehar, Macchi Goth,
KLP Road, Sadiqabad
Tel: 068- 5951303 & 5951301-2
Fax: 068-5951300

SAHIWAL

High Street Branch

558/8-I, Navid, Plaza, High Street Sahiwal.

Tel: 040-4229247, 4221615, 4229247

Fax: 040-4460960

SARGODHA

Sargodha Branch

Prince Cinema Market Railway Road, Sargodha

Tel: 048-3768113-5

Fax: 048-3768116

Satellite Town Branch

Satellite Town, Ground Floor, Afzal Towers,

Plot # 302-A, Main Satellite Town, Sargodha.

Tel: 048-3221025-28

Fax: 048-3221029

SHIKARPUR

Shikarpur Branch

C.S. No.52/33/I, Ward 'B', Lakhi Gate, Shikarpur, Sindh

Tel: 0726-522057-59

Fax: 0726-522060

SIALKOT

Kashmir Road Branch

Address: Block 'A', ZHC, Kashmir Road, Sialkot

Tel: 052-3573304-7

Fax: 052-3573310

Paris Road Branch

BI, 16S, 71/A/I, Paris Road, Sialkot

Tel: 052-4602712-17

Fax: 052-4598849

Small Industrial Area Branch

Plot No. 32 / A, S.I.E -I, Small Industrial Estate,

UGOKE Road, Sialkot

Tel: 052-3242690 - 92

Fax: 052-3242695

SWABI

Swabi Branch

Property bearing No. 3361, Main Mardan Road, Swabi

Tel: 0938-222968 - 69

Fax: 0938-221572

TANDO ALLAH YAR

Tando Allah Yar Branch

C-I, Survey # 274, Main Road, Tando Allah Yar - Sindh

Tel: 022-2763181-83

Fax: 022-2763184

TURBAT

Main Bazar Branch

Main Bazar, Turbat

Tel: 0852-413874 & 411606

Fax: 0852-414048

WAH CANTT

Wah Cantt Branch

Plot No. 17/37, Civic Center, Aslam Market, Wah Cantt

Tel: 051- 4902238-39 & 4902241

Fax: 051-490224

ISLAMIC BANKING BRANCHES

KARACHI

Fish Harbour Branch

Plot No. L - 2, Block "L"
Fish Harbour, Dockyard Road,
West Wharf, Karachi
PABX: 021-32312166-68
Fax: 021-32312165

I. I. Chundrigar Road Branch II

5-Business & Finance Centre, Opposite State Bank of Pakistan,
Karachi.
Tel: 021-32438212, 32472176, 32471796
Fax: 021-32438218

IBL Building Centre Shahrah-e-Faisal Branch

Ground Floor IBL Building Center at Plot No. 1,
Block 7 & 8, D.M.C.H.S, Shahrah-e-Faisal, Karachi
Tel: 021-32368002-4
Fax #: 021 - 32368005

Super Highway Branch

Shop No. 29 & 30, Plot # I-B/3, Sub Sector I-A,
Scheme No. 33, main Super Highway, Karachi.
Tel: 021 - 36830161-3
Fax: 021-36830162

Zamzama Branch

Shop No. 3, 4, 5, 6 & 7, Plot No. 16-C, 2nd
Zamzama Commercial Lane DHA - Karachi
Tel: 021 - 35373135-7
Fax: 021 - 35373138

LAHORE

PIA Society Islamic Banking Branch

Plot # 40, Block-D, Main Boulevard PIA Society,
Opp Wapda Town Roundabout, Lahore
Tel: 042-35189957 - 59
Fax: 042-35210895

HUB

Hub Branch

Shop No. 12 - 14, Khasra No. 106/4, Int. Shopping Mall Hotel,
Mouza Berot, Tehsil Hub, Lasbella, Baluchistan
Tel: 0853 - 363056 - 058
Fax: 0853 - 363050

CHILAS

Chilas Branch

Khasra No. 02, Bazar Area, Chillas, District Baltistan
Tel: 05812 - 450702-3
Fax: 05812-450704

SKARDU

Skardu Branch

Khasra No. 1265/39, Yadgar Chowk,
Tehsil Skardu, District Baltistan
Tel: 05815 - 456693-94
Fax: 05815-456696

ISLAMABAD

DHA Phase-2 Branch

Plot No. 7, Street SSZBS Al Nahayaan, Sector-A,
DHA Phase-2, Near Al Ghurair, Main Boulevard, Islamabad
Tel: 051-4918314 -16
Fax: 051-4918317

Naval Anchorage Branch

Plot # 19, Commercial No. 2, Naval Officers'
Housing Scheme Anchorage, Islamabad
Tel: 051 - 5159126 - 28
Fax: 051 - 5159129

CHITRAL

Chitral Branch

Attalique Bazar, Bank Square,
Opp: NBP Building, Chitral
Tel: 0943 - 412536-37
Fax: 0943 - 414352

HYDERBAD

DHA Plaza Branch

Shop No. 1 & 2, Block C,
Defence Plaza, Thandi Sarak, Hyderabad
Tel: 022- 2108474, 2108478
Fax # 022-210847

RAWALPINDI

Bahria Town Branch Phase-IV

Plot # 1, Bahria Town, Civic Centre, Phase IV, Rawalpindi
Tel: 051-5733945-46
Fax: 051-5733967



Plot No. G-2, Block 2, Clifton, Karachi.
UAN: 021-1111-24365, Toll Free: 0800-24365
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